



nelson mandela bay  
M U N I C I P A L I T Y



## 2016/17 OVERSIGHT REPORT

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## **FOREWORD BY THE CHAIRPERSON OF MPAC**

The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to Council with regard to the Annual Report and the preparation of an Oversight Report. Given the process required by Council to effectively undertake its oversight role, the establishment of the Municipal Public Accounts Committee (MPAC) of Council provides the appropriate mechanism through which Council can fulfil its oversight responsibilities. MPAC's primary role is to consider the Annual Report, receive input from the various role-players and prepare a draft Oversight Report for consideration by Council.

In the light of this responsibility, Council on 25 January 2018 tabled the 2016/17 Annual Report of the Nelson Mandela Bay Municipality for consideration. Council subsequently referred the 2016/17 Annual Report to the MPAC for interrogation so that an Oversight Report could be developed. MPAC in fulfilling its responsibility assigned to it by Council, held its meetings on the following dates:

- 13 February 2018
- 20 February 2018
- 1 March 2018
- 8 March 2018
- 15 March 2018
- 19 March 2018

During these meetings, the 2016/17 Annual Report of the Nelson Mandela Bay Municipality was assessed with due attentiveness by all MPAC members. The oversight process included a page by page scrutiny of the Annual Report and opportunity to raise questions for clarity and concerns.

MPAC noted improvements in certain performance areas, as reflected in the 2016/17 Annual Report, but also unsatisfactory performance in some areas, as reflected in the Oversight Report. As a result, MPAC has raised concerns and made recommendations on a number of issues that require immediate intervention by the Council.

MPAC will furthermore ensure that the recommendations included in the 2016/2017 Oversight Report are fully implemented by the municipal administration; this will be monitored through quarterly reports by MPAC.

In considering the 2016/17 Annual Report, MPAC also consulted the 2015/16 Oversight Report to establish those areas that are still outstanding that could be incorporated into the 2016/17 Oversight Report.

It is my belief that if Council considers these recommendations and the administration implements them fully, the NMBM should move from a qualified Audit position of 2016/17 to at least an unqualified Audit opinion in the 2017/18 financial year.

Finally, I would like to extend special appreciation to the members of MPAC for their contribution, dedication and hard work in ensuring that this report was compiled and tabled in Council on time. I would also like to thank the administration for their administrative support in developing the Oversight Report.



**COUNCILLOR Y N YAKO**  
**CHAIRPERSON OF MPAC**

## **1. PURPOSE**

Municipalities and their entities are required by the Municipal Finance Management Act (MFMA) of 2003, and the Municipal Systems Act (MSA) of 2000 to prepare annual reports based on their annual service delivery processes and overall municipal performance, for the inspection of their relevant stakeholder groups. The Nelson Mandela Bay Municipality has accordingly prepared its 2016/17 Annual Report in accordance with its key performance areas, to account to the communities it serves.

The annual reporting process is followed by an oversight report, which is the report of Council on the 2016/17 Annual Report of the Municipality and its municipal entity (the Mandela Bay Development Agency). In the Nelson Mandela Bay Municipality, the process of oversight is referred to the Municipal Public Accounts Committee, which acts as the Oversight Committee of Council. This Oversight Report is a product of the Municipal Public Accounts Committee's deliberations on the 2016/17 Annual Report.

The Oversight Report is adopted after the Oversight Committee has fulfilled its tasks pertaining to:

- Undertaking a review and analysis of the Annual Report
- Inviting, receiving and considering inputs from Councillors and Support Committees
- Considering written comments received on the Annual Report through the public consultation process
- Conducting Public Participation to allow the local community or any organs of state to make representations on the Annual Report
- Preparing the draft Oversight Report, taking into consideration the views and inputs of the public, representatives of the Auditor General, organs of state, Council's Audit Committee and Councillors.

## 2. INTRODUCTION

The Nelson Mandela Bay Municipality has been guided by the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA) and National Treasury Circulars in the process of drafting the Annual Report. In adhering to these, the Municipal Administration has submitted the 2016/17 Annual Report to the Council at the Council meeting held on 25 January 2018 for consideration. This process was followed by the preparation of the Oversight Report.

The Nelson Mandela Bay Municipality Council has resolved that the Municipal Public Accounts Committee is the relevant committee within the Municipality to carry out the activities of the Oversight Committee. The Municipal Public Accounts Committee, as prescribed in the MFMA, has been holding meetings to discuss the performance of the overall Municipality through the use of the 2016/17 Annual Report. The Committee has performed its oversight role within the MFMA specified municipal oversight completion period, which is from 13 February 2018 – 15 March 2018.

The main components of the Annual Report submitted to Council were the following:

- The annual performance report, as required in terms of Section 46 of the Municipal Systems Act (MSA).
- The Annual Financial Statements submitted to the Auditor-General.
- The Auditor-General's audit report on the financial statements in terms of Section 126 (3) of the MFMA.
- The Auditor-General's audit report on programme performance in terms of Section 45 (b) of the MSA.

In the NMBM, the oversight role on the Annual Report is referred to the Municipal Public Accounts Committee. One of the key responsibilities of the Municipal Public Accounts Committee in fulfilling its oversight role is to prepare the draft oversight report on the Annual Report, considering the views and inputs of the public, representatives of the Auditor-General, organs of state, Council's Audit Committee and Councillors.

### **3. FORMING OF OVERSIGHT COMMITTEE**

The MFMA Circular No.32 (Municipal Finance Management Act No.56 of 2003) states that the Oversight Committee should be made up of only non-executive Councillors. It further provides that municipal officials cannot serve as members of an oversight committee. All meetings of the Oversight Committee must be open to the public and timely notice of meetings should be given to enable representations to be made.

***The Nelson Mandela Bay Municipality's 2016/17 financial year MPAC membership is constituted as follows:***

African National Congress (ANC) – 5 members  
 Democratic Alliance (DA) – 6 members  
 Economic Freedom Fighters (EFF) – 2 members  
 United Democratic Movement (UDM) – 1 member

***MPAC is constituted as follows:***

Councillor Y N Yako (Chairperson)

Councillor R N Captain  
 Councillor M Feni  
 Councillor C Garai  
 Councillor B N Mafaya  
 Councillor M K Mogatosi  
 Councillor L Mrara  
 Councillor H Müller  
 Councillor L Nombola  
 Councillor T S Noqoli  
 Councillor M G Steyn  
 Councillor T F Tshangela  
 Councillor A Tyokwana  
 Councillor H C van Staaden

## 4. TIME CONSIDERATIONS

### 4.1 Meeting Schedule

The National Treasury's MFMA Circular No. 32 further provides for certain provisions with regard to the compilation of the Oversight Report. These provisions cover the following areas:

- Managing the process and forming committees;
- Timing considerations;
- Understanding the Annual Report and determining conclusions.

The 2016/17 Annual Report was received by the Nelson Mandela Bay Municipality's Council on 25 January 2018 and referred to the MPAC as an Oversight Committee in the Municipality. The MFMA prescribes that the Oversight Report must be submitted to the Council and be adopted by 31 March of the same year.

The meeting schedule of the Municipal Public Accounts Committee from 13 February to 15 March 2017 is outlined below:

<b>DATE</b>	<b>TIME</b>	<b>VENUE</b>	<b>FOCUS AREA</b>
13 February 2018	09:00	Council Chambers, City Hall	AG Report and findings Annual Financial Statements
20 February 2018	09:00	Council Chambers, City Hall	Meeting postponed
01 March 2018	09:00	Council Chambers, City Hall	Performance Scorecards Chapters 1 to 4 of the Annual Report
08 March 2018	09:00	Council Chambers, City Hall	Chapters 5 to 6 of the Annual Report



<b>DATE</b>	<b>TIME</b>	<b>VENUE</b>	<b>FOCUS AREA</b>
15 March 2018	09:00	Feather Market, Conference Centre, Military Road	Drafting Oversight Report
19 March 2018	09:00	Council Chambers, City Hall	Reviewing Oversight Report

## **5. LEGAL FRAMEWORK**

The preparation of this Oversight Report is in accordance with Section 129 (1) of the Municipal Financial Management Act (2003), which stipulates that a municipal council must consider the Annual Report and refer the Annual Report to an Oversight Committee, and that the Oversight Committee must prepare an Oversight Report containing comments and recommendations. The Council must at the adoption stage of the Oversight report state as whether it (the Council) has approved the Annual Report with or without reservations; has rejected the Annual Report; or has referred the Annual Report back for revision of those components that can be revised.

The establishment of the Oversight Committee is therefore important for the Council to carry out functions of the Annual Report oversight or overview. The Nelson Mandela Bay Municipality Council has in this case referred or delegated its authority to carry out its oversight functions to the Municipal Public Accounts Committee. The establishment of the MPAC was undertaken in terms of Section 79 of the Municipal Structures Act, which allows for the cooption of advisory members of the Council.

Circular No. 32 of the Municipal Finance Management Act, Act 56 of 2003 recommends that council should consider the establishment of an Oversight Committee under Sections 33 and 79 of the Municipal Structures Act 1998. The Circular states that this Committee and, if needed, sub-committees, could be responsible for the detailed analysis and review of the Annual Report and then drafting an Oversight Report that may be taken to full Council for discussion. Such committee, according to this Circular, may receive and review representations made by the public and also seek inputs from other Councillors and Council Portfolio Committees.

## 6. PUBLIC PARTICIPATION IN OVERSIGHT PROCESS

Section 130 of the MFMA stipulates that public participation must be a central element of all processes relating to an Annual Report. In so doing, the aforementioned Section instructs that the meetings of a municipal council or committee established by Council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organs of state.

As part of promoting public participation in the oversight process, municipalities are obliged to undertake the following additional actions:

- Invite written submissions from the local community or organs of state on the Annual Report.
- Make public all meetings at which the Annual Report will be discussed.
- Representatives of the Auditor-General are entitled to attend and to speak at any meeting that deals with the Annual Report.
- Engage in a process of public participation on the Annual Report.

In this regard, the Municipality undertook the following initiatives to promote public participation in the oversight process:

<b>MECHANISM TO PROMOTE PUBLIC PARTICIPATION</b>	<b>STATUS</b>	<b>COMMENTS</b>
Invitation to public to submit comments on the Annual Report	<b>Done</b>	Public was invited to submit comments on the Annual Report to the Municipality through the Office of the Chief Operating Officer. A relevant advert was published in the local print media on 29 January 2018.
Make public all meetings of Council's Oversight Committee that will consider the Annual Report	<b>Done</b>	All MPAC meetings convened to consider the Annual Report were advertised in the local media on 29 January 2018.

<b>MECHANISM TO PROMOTE PUBLIC PARTICIPATION</b>	<b>STATUS</b>	<b>COMMENTS</b>
Representatives of the Auditor-General invited to meetings of Council that will consider Annual Report	<b>Done</b>	Auditor-General's representatives invited to the MPAC meetings convened to consider Annual Report.
Annual Report printed and distributed to municipal offices for access by local communities.	<b>Done</b>	Copies of these reports lie open for inspection at all municipal libraries and customer care centres and were also published on the municipal website ( <a href="http://www.nelsonmandelabay.gov.za">www.nelsonmandelabay.gov.za</a> )

## 7. OVERSIGHT COMMITTEE RECOMMENDATIONS

At the first meeting of MPAC held on 30 January 2018 to consider the 2016/17 Annual Report, the members agreed that the Committee would exercise its oversight functions in the following manner:

That MPAC would attend as follows to its work in respect of the 2016/17 Annual Report and the Audit Report by the Auditor-General for the year ended 30 June 2017:

<b>MEETING SCHEDULE</b>	<b>MEETING DATE</b>	<b>MEETING VENUE</b>	<b>FOCUS AREA</b>
First Meeting	13 February 2018	Council Chambers, City Hall	AG Report and findings NMBM <i>Volume III: pages 804 – 816</i> <i>MBDA: page 911 – 918</i> Annual Financial Statements <i>NMBM Volume II: page 694 – 803</i> <i>MBDA: page 881 – 910</i>
Second Meeting	20 February 2018	Council Chambers, City Hall	Performance Score Cards: <i>Page 323 – 340</i> Chapter 1: Executive Mayor's Foreword and Executive Summary: <i>Pages 12 – 72</i> Chapter 2: Governance: <i>Pages 73 – 98</i>

MEETING SCHEDULE	MEETING DATE	MEETING VENUE	FOCUS AREA
Third Meeting	1 March 2018	Council Chambers, City Hall	Chapter 3: Service Delivery Performance: <i>Pages 99 - 351</i> Chapter 4: Organisational Development: <i>Pages 352 - 376</i> Chapter 5: Financial Performance: <i>Pages 377 – 525</i> Chapter 6: AG Audit Findings: <i>Pages 526 – 535</i>
Fourth Meeting	8 March 2018	Council Chambers, City Hall	Developing Oversight Report
Fifth Meeting	15 March 2018	Feather Market, Conference Centre, Military Road	Drafting Oversight Report
Sixth Meeting	19 March 2018	Council Chambers, City Hall	Reviewing Oversight Report

The discussions and recommendations of MPAC were presented in accordance with the areas identified above, namely:

**Area 1** Auditor-General's Report and Annual Consolidated Financial Statements

**Area 2** Performance Scorecards

Chapter 1: Mayors Foreword and Executive Summary

Chapter 2: Governance

**Area 3** Chapter 3: Service Delivery Performance

Chapter 4: Organisational Development

Chapter 5: Financial Performance

Chapter 6: AG Audit Findings

## **7.1 Areas of amendment to the 2016/17 Annual Report**

The Municipal Public Accounts Committee recommends that the following amendments be made to the 2016/17 Annual Report:

- (a) The statement under paragraph (j) on page 17 of the 2016/17 Annual Report should be amended to read as follows:  
*“Good progress was made towards upgrading the Walmer/Fountain Road by building changing-rooms and ablutions at the Walmer/Fountain Road sport field”.*
  
- (b) Appendix “A” (Councilors, Committees Allocated and Council Attendance) on page 526 of the 2016/17 Annual Report should be amended to reflect the accurate information.

## 7.2 AREA 1: AUDITOR-GENERAL'S REPORT AND ANNUAL FINANCIAL STATEMENTS

AREA 1	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL
AUDITOR- GENERAL'S REPORT FOR 2016/17	1	<p><b>Items on pages 805 - 816 of the Annual Report (Audit Report)</b></p> <p><b>Audit qualification</b></p> <p>The Committee expressed its concern regarding the following matters:</p> <p>(1) Inadequate attention to and consideration by the administration of the Auditor-General's letters.</p> <p>(2) Lack of strict monitoring and control in terms of the areas identified in the Auditor-General's Report.</p> <p>(3) Unacceptable poor leadership and negligence, resulting in recurring audit findings.</p> <p>(4) Lack of effective internal control systems in respect of the following areas:</p> <ul style="list-style-type: none"> <li>• Property, plant and equipment</li> <li>• Creditors-exchange transactions</li> </ul>	<p>(a) That the Audit Action Plan includes measures to address the following:</p> <p>(1) Inadequate attention to and consideration by the administration of the Auditor-General's letters.</p> <p>(2) Lack of strict monitoring and control in terms of the areas identified in the Auditor-General's Report.</p> <p>(3) Unacceptable poor leadership and negligence, resulting in recurring audit findings.</p> <p>(4) Lack of effective internal control systems.</p>	Acting Chief Financial Officer

AREA 1	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL
<b>AUDITOR- GENERAL'S REPORT FOR 2016/17 (Continued)</b>		<ul style="list-style-type: none"> <li>• Irregular expenditure</li> <li>• Unauthorised expenditure</li> <li>• Expenditure management</li> <li>• Consequence management</li> <li>• Procurement and Contract management</li> <li>• Financial control systems and management</li> <li>• Asset management</li> </ul>	<p>(b) That the Audit Action Plan be submitted to the next ordinary MPAC meeting (10 April 2018).</p> <p>(c) That the appointment of the Chief Financial Officer be fast-tracked.</p> <p>(d) That the City Manager submit quarterly progress reports on the status of leadership in the Municipality to MPAC.</p>	<p>Acting Chief Financial Officer</p> <p>City Manager</p> <p>City Manager</p>
	2	<p><b>Property, Plant and Equipment (PPE)</b></p> <p>The Committee expressed its concern in relation to Property, Plant and Equipment (PPE):</p> <p>(1) No service provider(s) to assess the useful lives of assets – assets have not been assessed for the past two financial years (i.e. 2015/16 and 2016/17).</p> <p>(2) The need to assess the useful lives of assets in line with the GRAP Standards.</p>	<p>(a) That the municipal directorates develop action plans for assessing the useful lives of assets and submit same to the next ordinary meeting of MPAC.</p> <p>(b) That the Asset Register be dealt with precisely and that a progress report be submitted to the next ordinary meeting of MPAC.</p>	<p>Executive Director: Corporate Services</p> <p>Executive Director: Corporate Services</p>

AREA 1	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL
<b>AUDITOR- GENERAL'S REPORT FOR 2016/17 (Continued)</b>		(3) Lack of a single database to hold all assets in one specific place - different asset registers are held in different repositories.	(c) That the Municipality develop a Central Record Keeping System (Centralised Asset Register) that will reconcile various asset registers into one register, and submit quarterly progress reports to MPAC.	Executive Director: Corporate Services
	<b>3</b>	<p><b>Limitation of scope: Unauthorised expenditure</b></p> <p>The Committee expressed its concern regarding unauthorised expenditure in terms of the following:</p> <ul style="list-style-type: none"> <li>(1) Qualification relating to missing documentation going back to the year 2003.</li> <li>(2) Possible incurring of additional irregular expenditure due to active open-ended tenders which cannot simply be terminated.</li> <li>(3) The BAC not appointing the highest scoring tenderers in terms of tender requirements.</li> <li>(4) Unethical and irregular supply chain management practices at the Supply Chain Management Sub-directorate.</li> </ul>	<p>(a) That the MPAC Chairperson in liaising with the MMC: Budget and Treasury and the Acting Chief Financial Officer, arrange a site visit to the Supply Chain Management Sub-directorate (within Budget and Treasury) by 30 April 2018, with a view to acquiring better understanding on how the systems worked there.</p> <p>(b) That a report be submitted to the next ordinary meeting of MPAC on the number and form of all existing open-ended contracts, including action</p>	<p>The Chairperson: MPAC</p> <p>Acting Chief Financial Officer</p>



AREA 1	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL
AUDITOR- GENERAL'S REPORT FOR 2016/17 (Continued)		Limitation of scope: <b>Unauthorised expenditure (Continued)</b>	<p>plans to terminate possible ones.</p> <p>(c) That a report on <i>Unauthorised, Irregular and Fruitless and Wasteful Expenditure</i> Register be submitted to the next meeting of MPAC Sub-committee to be dealt with.</p> <p>(d) That consequence management be implemented based on the findings by the MPAC Sub-committee on the report in (c) above.</p>	<p>Acting Chief Financial Officer</p> <p>City Manager</p>

AREA 1	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL
<b>ANNUAL FINANCIAL STATEMENTS</b>	4	<p><b>Annual Financial Statements</b></p> <p>The Committee raised concerns in respect of the following matters:</p> <ul style="list-style-type: none"> <li>• Whether the figures on land and buildings were a true reflection of the value.</li> <li>• Councilors on arrears in terms municipal service/rate account.</li> <li>• The downgrading of the NMBM in respect of Credit Rating.</li> <li>• Large amount of money spent on contracted services</li> </ul>	<p>(a) That a report be submitted by the Chief Operating Officer to the next ordinary meeting of MPAC in order to establish how much the Municipality spent on Legal Services during the 2016/17 financial year.</p> <p>(b) That a plan of action be developed on reduction of contracted services, and progress of its implementation be submitted to each ordinary meeting of MPAC.</p>	<p>Chief Operating Officer</p> <p>Acting Chief Financial Officer</p>
<b>AUDITOR- GENERAL'S REPORT - MBDA</b>	5	<p><b>Items on page 916 of the Annual Report (Audit Report)</b></p> <p><b>Mandela Bay Development Agency (MBDA)</b></p> <p>The Committee raised concerns regarding MBDA's Audit Report:</p> <p>(1) Under-expenditure of MBDA's Budget.</p>	<p>(a) That the MBDA do a presentation at the next ordinary meeting of MPAC to explain the break-down of its internal control systems and measures that have been put in place to restore its clean audit status.</p>	<p>Chief Executive Officer: MBDA</p>

AREA 1	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL
		(2) Break-down of internal controls in MBDA resulting in the entity's inability to obtain a clean audit during the 2016/17 financial year.		

**AREA 2: PERFORMANCE SCORECARD, EXECUTIVE MAYOR'S FOREWORD, EXECUTIVE SUMMARY AND GOVERNANCE**

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
<b>PERFORMANCE SCORECARD (P. 323 – 340 OF THE ANNUAL REPORT)</b>	6	<p><b>KPA 1: Effective City Governance</b></p> <p><b>KPI No. 1.4.1: Receipt of Unqualified Audit report issued in respect of the 2016/17 financial year</b></p> <p>The Committee expressed its dissatisfaction regarding the 2016/17 qualified Auditor-General's Report due to inadequate financial control systems, among other things.</p>	<p>(a) That the Audit Action Plan be implemented and that same be monitored through MPAC's Quarterly meetings.</p> <p>(b) That there should be consequence management for directorates that contributed to the receipt of qualified audit report.</p> <p>(c) That the <i>Unauthorised, Irregular and Fruitless and Wasteful Expenditure</i> Policy be submitted for</p>	<p>Acting Chief Financial Officer</p> <p>City Manager</p> <p>Acting Chief Financial Officer</p>

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
<b>PERFORMANCE SCORECARD (P. 323 – 340 OF THE ANNUAL REPORT)</b> <i>(Continued)</i>		<b>KPA 1: Effective City Governance</b> <i>(Continued)</i>	<p>approval and be implemented as a matter of urgency.</p> <p>(d) That a report on <i>Unauthorised, Irregular and Fruitless and Wasteful Expenditure</i> Register be submitted to the next meeting of MPAC Sub-committee to be dealt with.</p> <p>(e) That consequence management be implemented based on the findings by the MPAC Sub-committee on the report in (d) above.</p>	<p>Acting Chief Financial Officer</p> <p>City Manager</p>
<b>PERFORMANCE SCORECARD (P. 323 – 340 OF THE ANNUAL REPORT)</b>	7	<b>KPA 2: Integrated Service Delivery to a well-structured city</b>  <b>KPI No. 2.1.5: % reduction in year-to-year water losses in line with the International Water Association (IWA) Audit Standards (variance between the total system input and authorised consumption)</b>  <p>The Committee expressed serious concerns regarding water losses, as the large amount spent on repairing water leaks has little positive impact on water losses.</p>	<p>(a) That a report be submitted to MPAC on a quarterly basis, which indicates the following:</p> <ul style="list-style-type: none"> <li>• the carry over total of water leaks for the period July 2017 to February 2018, and thereafter:</li> <li>• the number of new leaks reported on a monthly basis,</li> <li>• the number of leaks fixed per month,</li> <li>• the number of plumbers currently employed, both internally and externally.</li> </ul>	<p>Executive Director: Infrastructure and Engineering</p>

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
<b>PERFORMANCE SCORECARD (P. 323 – 340 OF THE ANNUAL REPORT)</b>		<b>KPA 2: Integrated Service Delivery to a well-structured city (<i>Continued</i>)</b>	<p>(b) That based on (a) above, the total number of plumbers required to fix all water leaks be determined.</p> <p>(c) That the process of appointing additional plumbers to fix water leaks and curb water losses, be accelerated by advertising both internally and externally and appointing plumbers on merit</p> <p>(d) That a report in respect of water leaks be served as a standing item to the Infrastructure and Engineering Standing Committee meetings and that same reflect accurate information (i.e. regarding the number of plumbers needed to deal with the leaks, including backlogs).</p> <p>(e) That new ways of water-saving campaign mechanisms be explored, and the impact of such campaigns on water-savings be reported to the quarterly MPAC meetings.</p>	<p>Executive Director: Infrastructure and Engineering</p> <p>Executive Director: Infrastructure and Engineering</p> <p>Executive Director: Infrastructure and Engineering</p> <p>Executive Director: Infrastructure and Engineering</p>

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
<b>PERFORMANCE SCORECARD (P. 323 – 340 OF THE ANNUAL REPORT)</b>		<b>KPA 2: Integrated Service Delivery to a well-structured city (<i>Continued</i>)</b>	<p>(f) That the Budget and Treasury Directorate investigate the possibility of sourcing additional budget to supplement the water leaks budget.</p> <p>(g) That percentage (%) reduction in year-to-year water losses be at least in line with the International Water Association (IWA) Audit Standards.</p>	<p>Executive Director: Infrastructure and Engineering</p> <p>Executive Director: Infrastructure and Engineering</p>
	<b>8</b>	<p><b>KPA 2: Integrated Service Delivery to a well-structured city</b></p> <p><b>KPI No. 2.1.6: Number of state subsidised housing units provided with access to water and sanitation</b></p> <p>The committee expressed concern around non-performing contractors and inadequate monitoring of project implementation.</p>	<p>(a) That the City Manager submit a report to the next ordinary meeting of MPAC reflecting the target regarding houses provided with access to water and sanitation for the 2017/18 financial year.</p> <p>(b) That the Executive Director: Infrastructure and Engineering investigate a system of monitoring and evaluating contractors with a view to black-listing under/non-performing contractors and submit a report in the above regard to each ordinary meeting of MPAC.</p>	<p>City Manager</p> <p>Executive Director: Infrastructure and Engineering</p>

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
<b>PERFORMANCE SCORECARD (P. 323 – 340 OF THE ANNUAL REPORT)</b>			(c) That a contract management system be developed to monitor the performance of contractors in line with concluded Service Level Agreements.	Acting Chief Financial Officer
<b>PERFORMANCE SCORECARD</b>	9	<p><b>KPA 2: Integrated Services Delivery to a well-structured city</b></p> <p><b>KPI No. 2.4.1: Percentage (%) electricity losses (the difference in energy purchased and energy sold) in line with NERSA standards</b></p> <p>The Committee expressed its concern regarding electricity losses in terms of the following:</p> <p>(1) Dissatisfaction in respect of lack of reasons for underperformance by AMAT (service provider).</p> <p>(2) Lack of proper consultation in the process of appointing a new service provider.</p>	<p>(a) That a strategy for addressing electricity losses and connecting Informal Settlements be developed and submitted to the next ordinary meeting of MPAC.</p> <p>(b) That the City Manager institute an investigation into whether the official responsible for monitoring and evaluation of the work done by AMAT can be held liable for under-performance by the aforementioned service provider, and report on the progress of the investigation to each ordinary meeting of MPAC.</p> <p>(c) That the Acting Executive Director: Electricity and Energy submit the close-out report detailing the final date on the contract with AMAT to the Infrastructure and Engineering Standing Committee, with a view to enabling the</p>	<p>Acting Executive Director: Electricity and Energy</p> <p>City Manager</p> <p>Acting Executive Director: Electricity and Energy</p>

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
(P. 323 – 340 OF THE ANNUAL REPORT)		<b>KPA 2: Integrated Services Delivery to a well-structured city (Continued)</b>	Committee to understand the specifications to be included in a new contract before the appointment of a new service provider.  (d) That the issue of Electricity Losses be addressed by the Acting Executive Director: Electricity and Energy and that progress reports on electricity losses be submitted to the Infrastructure and Engineering Standing Committee, and also be incorporated as part of the Quarterly Reports submitted to MPAC.	Acting Executive Director: Electricity and Energy
<b>PERFORMANCE SCORECARD (P. 323 – 340 OF THE ANNUAL REPORT)</b>	10	<b>KPA 2: Integrated Service Delivery to a well-structured city)</b> <b>KPI No. 2.5.1: Number of housing opportunities (state subsidised housing) provided</b>  The Committee expressed concern in respect of non-performing contractors and the need to blacklist all contractors that had failed to deliver as well as to hold those officials responsible for the monitoring of halted projects accountable.	(a) That the City Manager follow up with the NHRBC on the status of the investigations into the non-performance recorded in respect of these housing projects and report back thereon to MPAC's next ordinary meeting.	City Manager



AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
<b>PERFORMANCE SCORECARD (P. 323 – 340 OF THE ANNUAL REPORT)</b>	11	<p><b>KPA 2: Integrated Service Delivery to a well-structured city)</b></p> <p><b>KPI No. 2.5.4: Number of Local Spatial Development Frameworks (LSDF) approved by Council</b></p> <p>(a) The Committee expressed concern regarding the status of the three Local Spatial Development Frameworks that should have been approved by Council. It was subsequently noted that these LSDFs had been submitted to Council.</p> <p>(b) The Committee expressed its discomfort regarding the name “Ibhayi” as representative of certain township areas and accordingly requested the Executive Director: Sport, Recreation, Arts and Culture to change same.</p>	<p>(a) That the Executive Director: Sport, Recreation, Arts and Culture facilitate the changing of the name ‘Ibhayi’ on the relevant Spatial Development Framework (LSDF) document and submit a process plan to the next ordinary meeting of MPAC.</p> <p>(b) That the City Manager submit a progress report to MPAC’s next ordinary meeting on the issue of the approval of the LSDFs by Council.</p>	<p>Executive Director: Sport, Recreation, Arts and Culture</p> <p>City Manager</p>

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
<b>PERFORMANCE SCORECARD (P. 323 – 340 OF THE ANNUAL REPORT)</b>	12	<p><b>KPA 2: Integrated Service Delivery to a well-structured city</b></p> <p><b>KPI No. 2.6.1: Percentage (%) households within the urban edge receiving a weekly domestic waste collection services (excluding informal areas on a privately owned erven and erven not earmarked for human settlements development)</b></p> <p>The Committee expressed serious concerns regarding cooperatives that were not working due to delayed tender processes.</p>	<p>(a) That the Acting Executive Director: Public Health submit a progress report in respect of the status of cooperatives to the next ordinary meeting of MPAC.</p> <p>(b) That the process of appointing cooperatives be accelerated.</p>	<p>Acting Executive Director: Public Health</p> <p>Acting Executive Director: Public Health</p>
	13	<p><b>KPA 2: Integrated Service Delivery to a well-structured city</b></p> <p><b>KPI No. 2.9.3: Percentage (%) completion of the Wolfson Stadium upgrade</b></p> <p>The Committee expressed its discomfort regarding the over-performance reported in terms of the Wolfson Stadium upgrade project in the 2016/17 Annual Performance Report.</p>	<p>(a) That the Chairperson of MPAC in liaison with the Executive Director: Sport, Recreation, Arts and Culture arrange a site visit to the Wolfson Stadium by 30 April 2018, to ensure oversight of this project.</p>	<p>Chairperson: MPAC</p>

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
<b>PERFORMANCE SCORECARD</b> <b>(P. 323 – 340 OF THE ANNUAL REPORT)</b>	14	<p><b>KPA 2: Integrated Service Delivery to a well-structured city</b></p> <p><b>KPI No. 2.16.1: Percentage (%) completion of precinct plan for Bayworld upgrade</b></p> <p>The Committee raised serious concerns regarding the delays recorded in the upgrading of Bayworld. It was indicated that it should be considered that Bayworld was not only a tourist attraction, but also had an important educational component, borne out by the fact that it was regularly visited by local schools.</p>	<p>(a) That the Executive Director: Economic Development, Tourism and Agriculture submit a report on the progress made (or lack thereof) towards the upgrading of Bayworld, including a cost estimate for remedial actions, with timeframes, to the next ordinary meeting of MPAC.</p> <p>(b) That the Chairperson of MPAC, in liaison with the Executive Director: Economic Development, Tourism and Agriculture, arrange a site visit to Bayworld by 30 April 2018, in order for the Committee to gain a better understanding of the situation.</p>	<p>Executive Director: Economic Development, Tourism and Agriculture</p> <p>Chairperson: MPAC / Executive Director: Economic Development, Tourism and Agriculture</p>
	15	<p><b>KPA 2: Integrated Service Delivery to a well-structured city</b></p> <p><b>KPI No. 2.16.6: Percentage (%) completion of Helenvale precinct areas upgrade (through the construction of sidewalks and pedestrian walkways)</b></p> <p>The Committee raised its concern about the delays experienced in the progress</p>	<p>(a) That the Executive Director: Economic Development, Tourism and Agriculture ensures that the implementation of the Helenvale Precinct areas upgrade project is accelerated.</p> <p>(b) That a progress report on the Helenvale Precinct areas upgrade be submitted to the next ordinary meeting of MPAC.</p>	<p>Executive Director: Economic Development, Tourism and Agriculture</p> <p>Executive Director: Economic Development,</p>

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
<b>PERFORMANCE SCORECARD (P. 323 – 340 OF THE ANNUAL REPORT)</b>		of the Helenvale precinct areas upgrade project, due to gansterism and non-performance by SMME contractors.	(c) That the capacitation of SMMEs be included as a Key Performance Indicator in the performance scorecard of the Executive Director: Economic Development, Tourism and Agriculture.	Tourism and Agriculture  Chief Operating Officer
	16	<b>KPA 3: Inclusive Economic Development and Job Creation</b>  <b>KPI No. 3.1.3: Developing an Ocean Economy Strategy and Implementation Plan for Nelson Mandela Bay</b>  The Committee expressed its concern regarding the progress status in respect of the Ocean Economy Strategy and Implementation Plan.	(a) That the development of the Economic Growth Strategy, which also includes an Ocean Economy Strategy, be accelerated.  (b) That a progress report on the development of the Economic Growth Strategy serve as a standing item to the Economic Development, Tourism and Agriculture Standing Committee.	Executive Director: Economic Development, Tourism and Agriculture
	17	<b>KPA 3: Inclusive Economic Development and Job Creation</b>  <b>KPI No. 3.2.1 and 3.2.2: Number of Work Opportunities (WOs) and Full Time Equivalent (FTE) Jobs created</b>	(a) That the 2018/19 EPWP targets be reviewed by the Executive Director: Economic Development, Tourism and Agriculture in order to ensure that they are realistic.	Executive Director: Economic Development, Tourism and Agriculture

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
<b>PERFORMANCE SCORECARD (P. 323 – 340 OF THE ANNUAL REPORT)</b>		<p>The Committee raised the following concerns in respect of the implementation of the EPWP:</p> <ul style="list-style-type: none"> <li>• Setting of unrealistic EPWP targets.</li> <li>• Short-term EPWP contracts (i.e. 3 months).</li> <li>• Inadequate consultation with Ward Councillors regarding the implementation of the EPWP.</li> </ul>		
	18	<p><b>KPA 5: Financial Sustainability and viability</b></p> <p><b>KPI No. 5.1.1: Percentage (%) of the Municipality's budget actually spent on implementing its Workplace Skills Plan</b></p> <p>The Committee expressed concern in respect of the under-expenditure of the Training Budget. However, the City Manager explained that the budget was not exhausted because certain training programmes were externally funded; therefore, under-expenditure in terms of the Training Budget may not necessarily mean that employees were not undergoing training.</p>	<p>(a) That the 2018/19 annual target for the KPI: <i>Percentage (%) of the Municipality's budget actually spent on implementing its Workplace Skills Plan</i> be set in line with training programmes that are directly implemented and funded by the Municipality.</p>	City Manager

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
<b>PERFORMANCE SCORECARD (P. 323 – 340 OF THE ANNUAL REPORT)</b>	19	<b>KPA 5: Financial Sustainability and Viability</b>  <b>KPI No. 5.1.5: Percentage (%) of the Municipality's Capital Budget actually spent</b>  The Committee expressed concern regarding delays in procurement processes in respect of capital project implementation.	(a) That a strategy on addressing Supply Chain Management challenges in respect of the implementation of capital projects be submitted to the next ordinary meeting of MPAC.	Acting Chief Financial Officer
	20	<b>KPA 5: Financial Sustainability and Viability</b>  <b>KPI No. 5.1.6: Percentage (%) of the Municipality's approved Operating Budget spent on repairs and maintenance</b>  The Committee expressed concern in respect of under-expenditure regarding the repairs and maintenance budget	(a) That systems be established to ensure that repairs and maintenance budgets are spent.  (b) That progress reports in respect of (a) above form part of MPAC's quarterly reports.  (c) That an institutional repairs and maintenance plan be developed and submitted to the first quarterly meeting of MPAC.  (d) That Quarterly Performance reviews be implemented to improve repairs and maintenance performance.	Acting Chief Financial Officer  Acting Chief Financial Officer  Acting Chief Financial Officer  City Manager

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
PERFORMANCE SCORECARD (P. 323 – 340 OF THE ANNUAL REPORT)	21	<p><b>KPA 5: Financial Sustainability and viability</b></p> <p><b>KPI No. 5.2.1: Percentage (%) implementation of the Municipal Standard Chart of Accounts (mSCOA) Phase 2 Implementation Plan</b></p> <p>The Committee expressed concern regarding the potential huge risk resulting from the improper implementation of mSCOA.</p>	(a) That progress reports in respect of mSCOA implementation be submitted as part of MPAC's quarterly reports.	Acting Chief Financial Officer
CHAPTER 1 OF THE ANNUAL REPORT	22	<p><b>Executive Mayor's Foreword (pp. 12 – 72 of the Annual Report)</b></p> <p><b>Beaches</b></p> <p>On page 17 (paragraph (k) of the Annual Report, the Committee raised serious concerns regarding the fact that two Beaches, i.e. St George's Strand Beach and New Brighton Beach, did not have a Blue Flag status and indicated that same was indicative of a segregated approach.</p>	<p>(a) That both St George's Strand Beach and New Brighton Beach be included in the Blue Flag Programme for the 2018/19 financial year.</p> <p>(b) That the statement under paragraph (j) be amended to read as follows:</p> <p><i>"Good progress was made towards upgrading the Walmer/Fountain Road by building changing-rooms and ablutions at the Walmer/Fountain Road sport field."</i></p>	<p>Executive Director: Sport, Recreation, Arts and Culture</p> <p>Chief Operating Officer</p>

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
CHAPTER 1 OF THE ANNUAL REPORT	23	<p><b>Walmer/Fountain Road sport field</b></p> <p>On page 17 of the Annual report, the Committee objected to the statement under paragraph (j) to the effect that there were no changing-rooms and ablutions at the Walmer/Fountain Road sport field and therefore, it was inappropriate for the statement to read as reflected in the Annual Report.</p> <p><b>Executive Summary (pp. 12 – 72 of the Annual Report)</b></p> <p><b>Unspent conditional grants</b></p> <p>The Committee expressed concern regarding unspent Conditional Grants as reflected from page 32 of the Annual Report.</p>	<p>(a) That measures be implemented to ensure maximum spending of Grant funding to facilitate effective service delivery and to prevent possible roll-overs.</p> <p>(b) Progress reports on grant spending be submitted to MPAC on a quarterly basis.</p> <p>(c) That the City Manager arrange a workshop for all Councillors with a view to gaining better understanding of the process of Conditional Grants.</p>	<p>City Manager and Acting Chief Financial Officer</p> <p>City Manager</p> <p>City Manager</p>



AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
			(d) That the City Manager review the figures in terms of % spend of the Conditional Grants in the 2015/16 financial statements against the 2016/17 financial statements and report back thereon to the next ordinary meeting of MPAC.	City Manager

### AREA 3: CHAPTERS 3 TO 6 OF THE ANNUAL REPORT

AREA 3	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL
<b>SERVICE DELIVERY PERFORMANCE</b>	<p data-bbox="593 1024 1153 1098"><b>24 Service Delivery Performance (pp. 99 – 351)</b></p> <p data-bbox="658 1134 1153 1238">The Committee raised the following serious concerns in respect of service delivery performance:</p> <ul data-bbox="705 1243 1153 1380" style="list-style-type: none"> <li data-bbox="705 1243 1153 1310">• Uncertainties regarding the Water Master Plan</li> <li data-bbox="705 1315 1153 1350">• High level of water losses</li> <li data-bbox="705 1355 1153 1386">• Refuse collection challenges</li> </ul>	(a) That a realistic strategy to curb water losses along with a strategy to fill vacancies in order to deal with water leaks more expeditiously be submitted to the next meeting of the Infrastructure and Engineering Standing Committee.	Executive Director: Infrastructure and Engineering

AREA 3	MATTER UNDER CONSIDERATION/ CONCERNS RAISED		RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL
		<ul style="list-style-type: none"> <li>• Lack of capacity in the Legal Services and Risk Management Sub-directorates</li> <li>• Response time in respect of Fire Services emergencies</li> <li>• Stormwater drainage</li> </ul>	(b) That the Executive Director: Safety and Security submit a comprehensive report, reflecting response times and the register in which every incident and outcomes are recorded, to the next ordinary meeting of MPAC.	Executive Director: Safety and Security
<b>CHAPTER 4 – ORGANISATIONAL DEVELOPMENT</b>	25	<p><b>Chapter 4 – Organisational Development (pp. 352 – 376)</b></p> <p><b>Suspensions and sick leave</b></p> <p>The Committee raised concern regarding the lack of finalisation of the fate of suspended officials and the high level of employees who take sick leave without providing a relevant medical certificate.</p>	<p>(a) That disciplinary action be taken against employees who take sick leave for more than 3 days without producing a relevant medical certificate.</p> <p>(b) That a report listing all suspended officials and the length of their suspensions (to date) and the financial impact of the suspensions be submitted to the quarterly meetings of MPAC.</p>	<p>City Manager</p> <p>City Manager</p>
<b>CHAPTER 5 - FINANCIAL PERFORMANCE (FROM PAGES 377 – 525)</b>	26	<p><b>Chapter 5: Financial performance (from pp. 377 – 525)</b></p> <p><b>Service Charges – Water Revenue</b></p> <p>The Committee raised concerns regarding the status of the audit of</p>	<p>(a) That the audit of the houses without water meters be completed as a matter of urgency.</p> <p>(b) That water meters be installed in houses without meters, and that the</p>	<p>Executive Director: Infrastructure and Engineering</p> <p>Executive Director:</p>

AREA 3	MATTER UNDER CONSIDERATION/ CONCERNS RAISED		RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL
		the approximately 28 000 households that were not metered.	<p>necessary budget be provided for this process.</p> <p>(c) That the City Manager submit a written report on the status of the audit of water meters to the next ordinary meeting of MPAC.</p>	<p>Infrastructure and Engineering</p> <p>City Manager</p>
<b>CHAPTER 6 – AUDIT FINDINGS (PAGES 526 – 535)</b>	<b>27</b>	<p><b>Chapter 6 – Audit Findings (pp. 526 – 535)</b></p> <p><b>Retentions</b></p> <p>The Committee expressed concern whether the Municipality’s Legacy system was capable of dealing with the issue of Retentions.</p>	(a) That the Legacy system be upgraded in order to deal with Creditors’ Retentions.	Acting Chief Financial Officer
<b>APPENDIX A</b>	<b>28</b>	<p><b>Councillors, Committees Allocated and Council Attendance (Appendix A – p. 537)</b></p> <p>Serious concerns were raised in respect of the poor attendance at meetings demonstrated by a number of Councillors, with some being absent for 3 consecutive meetings.</p>	(a) That a report reflecting details of those Councillors who had been absent from 3 consecutive meetings and the procedure followed in terms of dealing with same, as provided for in Council’s Rules of Order, be submitted to MPAC’s next ordinary meeting by the Office of the Speaker.	Executive Director: Corporate Services / Office of the Speaker.

## **8. OVERSIGHT COMMITTEE RECOMMENDATIONS FROM 2015/16 OVERSIGHT REPORT NOT IMPLEMENTED**

In addition to the recommendations cited in the preceding Section (7.2, Areas 1 to 3), MPAC resolved to review its Oversight Report of the previous financial year (2015/2016) in order to assess whether the recommendations it had made in the previous year had in fact been implemented. In instances where recommendations made in the 2015/2016 Oversight Report had not been implemented but were still relevant, MPAC resolved that these recommendations be included in the 2016/2017 Oversight Report for the purpose of continuity.

Below are MPAC recommendations contained in the 2015/16 Oversight Report that still remain outstanding; these will be included in the action plan that will be developed to monitor the implementation of the recommendations of the 2016/17 Oversight Report.

<b>OUTSTANDING MATTERS EMANATING FROM 2015/16 OVERSIGHT REPORT RECOMMENDATIONS</b>		
<b>NO</b>	<b>MPAC RECOMMENDATIONS</b>	<b>ACCOUNTABLE</b>
<b>AREA 1 – AUDITOR GENERAL’S REPORT AUDIT FINDINGS</b>		
1	<b>Procurement and Contract Management</b> That the City Manager and the Acting Chief Financial Officer produce a strategy to deal with the problems in respect of procurement and contract management to the next ordinary meeting of MPAC	City Manager/ Chief Financial Officer
<b>AREA 2 – CONSOLIDATED ANNUAL FINANCIAL STATEMENTS</b>		
2	<b>Unspent Conditional Grants and Receipts</b> That the NMBM ensures that strict internal control and monitoring measures be implemented to prevent non-spending of conditional grants	Chief Financial Officer
3	That Quarterly reports in respect of this item (Grants) be submitted to MPAC	Chief Financial Officer
4	<b>Limitation of Scope</b> That an Action-plan to prevent recurrence in respect of this item which relates to limitation of Scope payments, be submitted to MPAC by the Office of the Chief Financial Officer (this item form part of MPAC’s quarterly report)	Chief Financial Officer
<b>AREA 3 – PERFORMANCE REPORT</b>		
5	<b>Number of state subsidised housing units provided with access to electricity (KPI No. 1.6.1)</b> That the NMBM through SALGA and Association of Municipal Electricity Utilities (AMEU), request the National Department of Energy for assistance to develop a model for the manufacture of Transformers nationally, as local markets were insufficient to encourage manufacturers to invest in such a project	Executive Director: Electricity and Energy
6	That appropriate steps be taken to support the Electricity and Energy Directorate in addressing the acceleration of the allocation of funds promised by the Department of Energy	Executive Director: Electricity and Energy

<b>OUTSTANDING MATTERS EMANATING FROM 2015/16 OVERSIGHT REPORT RECOMMENDATIONS</b>		
<b>NO</b>	<b>MPAC RECOMMENDATIONS</b>	<b>ACCOUNTABLE</b>
7	<b>Average turnaround time for booking learner's licence test to the actual test (KPI No. 1.11.1)</b> That research be done by the Safety and Security directorate to develop a Re-attraction Strategy in respect of Licensing and Testing Centers, in the NMBM area of jurisdiction	Executive Director: Safety and Security
8	<b>Percentage (%) completion on Mendi multi-purpose Centre (KPI No. 1.14.1)</b> That the process in respect of the completion of the Mendi Multi-purpose Centre be accelerated and finalised to enable the community to benefit from same	Executive Director: Sports, Recreation, Arts and Culture
9	<b>Percentage (%) completion of leisure facilities upgrade (KPI No. 1.14.2)</b> That the process of upgrading the Wells Estate Beach be accelerated and finalised	Executive Director: Sports, Recreation, Arts and Culture
10	<b>Percentage (%) upgrading of the main Library (KPI No. 1.14.3)</b> That the process of upgrading the main Library be accelerated and be finalised	Executive Director: Sports, Recreation, Arts and Culture
11	<b>Number of Community Swimming Pools upgraded (KPI No. 1.15.7)</b> That proper planning with clear time-frames be done to construct the Motherwell swimming pool (the process be accelerated and be completed, bearing in mind the water restrictions that were in force in and around NMBM)	Executive Director: Sports, Recreation, Arts and Culture
12	<b>Number of events hosted to position Nelson Mandela Bay as a world class destination (KPI No. 3.4.4)</b> That improved vetting measures in respect of compliance be put in place when Service Providers were appointed by Council	Executive Director: Sports, Recreation, Arts and Culture
13	<b>Percentage (%) billed revenue collection rate (before write-offs) (KPI No. 4.1.3)</b> That all streams of increasing Revenue Collection be reviewed	Chief Financial Officer

<b>OUTSTANDING MATTERS EMANATING FROM 2015/16 OVERSIGHT REPORT RECOMMENDATIONS</b>		
<b>NO</b>	<b>MPAC RECOMMENDATIONS</b>	<b>ACCOUNTABLE</b>
14	That the Agreement with High Energy Users include a clause to ensure compliance with Council's Credit Control Policy	Executive Director: Electricity and Energy  Chief Financial Officer
15	<b>Percentage (%) of the Municipality's budget actually spent on implementing its Workplace Skills Plan (KPI No. 4.2.5)</b> That the Workplace Skills Development programme be accelerated to ensure that targets are met and, where possible, vacancies filled	Executive Director: Corporate Services
16	<b>Percentage (%) of the Municipality's approved Operating Budget spent on repairs and maintenance (KPI No. 4.2.6)</b> That in respect of funds allocated on the Operating Budget for Repairs and Maintenance, efforts be made to comply with the norms set by National Treasury to ensure that infrastructure is kept operational	Chief Financial Officer
17	<b>Percentage (%) satisfaction with cleansing services in Port Elizabeth and Uitenhage Central Business Districts (KPI No. 6.2.1.1)</b> That research be conducted to identify novel ways to assist vagrants in the NMBM area by providing shelters and other required services	Executive Director: Human Settlements
18	<b>Percentage (%) completion of township rejuvenation projects (KPI No. 6.2.2.2)</b> That a status report in respect of resolution of issues that mitigate against the opening of the Red Location Museum and Singaphi Road upgrade be submitted to MPAC's next ordinary meeting, by the Executive Director: Sports Recreation, Arts and Culture	Executive Director: Sports Recreation Arts and Culture
<b>AREA 4 – CHAPTERS 1 TO 6 OF THE ANNUAL REPORT</b>		
19	<b>Section 79 Delegations</b> That Section 79 Delegations be in place by no later than 30 June 2017	Chief Operating Officer
20	That a progress report be submitted to the relevant Standing Committee for monitoring until 30 June 2017 to ensure accountability	Chief Operating Officer

<b>OUTSTANDING MATTERS EMANATING FROM 2015/16 OVERSIGHT REPORT RECOMMENDATIONS</b>		
<b>NO</b>	<b>MPAC RECOMMENDATIONS</b>	<b>ACCOUNTABLE</b>
21	<p><b>Anti-Fraud and Anti-Corruption Strategy</b></p> <p>That an Internal Audit investigation be instituted to identify the persons responsible for the withdrawal of the criminal matter in respect of IPTS, and the reason for such action, and report the outcome thereof to Council by 30 June 2017</p>	<p>Director: Internal Audit</p> <p>City Manager</p>

<b>OUTSTANDING MATTERS EMANATING FROM 2014/15 OVERSIGHT REPORT RECOMMENDATIONS</b>		
<b>NO</b>	<b>MPAC RECOMMENDATIONS</b>	<b>ACCOUNTABLE</b>
<b>AREA 1 – AUDITOR GENERAL’S REPORT</b>		
22	<p><b><u>Inadequate Staff Leave Management System</u></b></p> <p>That the Executive Director: Corporate Services submit progress reports on the work being done in respect of the leave management system to the ordinary MPAC meetings from April up to and including June 2016.</p>	<p>Executive Director: Corporate Services</p>
23	<p><b><u>Failure to declare private or business interest in contracted awarded by NMBM</u></b></p> <p>That the City Manager implement a process whereby all Executive Directors, Directors, Deputy Directors, Assistant Directors formally declare annually, at the beginning of the financial year, their own and their direct relatives’ private or business interests in contracts awarded by the Municipality, and that such declarations be updated and adjusted in the course of the year as and when changes occur in respect of the declarations that were made.</p>	<p>City Manager</p> <p>Executive Director: Corporate Services</p>



<b>OUTSTANDING MATTERS EMANATING FROM 2014/15 OVERSIGHT REPORT RECOMMENDATIONS</b>		
<b>NO</b>	<b>MPAC RECOMMENDATIONS</b>	<b>ACCOUNTABLE</b>
<b>AREA 3: PERFORMANCE REPORT</b>		
24	That sufficient funding be made available on the 2016/17 Budget for the accelerated roll-out of formal electricity connections to informal settlements, and that the process be fast-tracked.	Executive Director: Electricity and Energy  Chief Financial Officer
25	<b><u>Assistance to the Poor</u></b> That the Municipality undertakes more outreach programmes to inform communities, particularly in the historically disadvantaged areas, about the Assistance to the Poor (ATTP) programme.	Chief Financial Officer
<b>AREA 4: ANNUAL REPORT</b>		
26	<b><u>New Revenue Stream</u></b> That the Chief Financial Officer, in consultation with the relevant Budget Planning Committee, identify a potential new revenue stream for the institution, in view of the current over-reliance on electricity sales as a source of income.	Chief Financial Officer
27	<b><u>Rental of Facilities and Equipment</u></b> That all leases of Council's land, buildings and equipment be finalised before the end of the 2015/16 financial year.	Executive Director: Corporate Services
28	That efforts be accelerated to integrate the management of land and building leases, and that the establishment of a dedicated Division for that purpose be considered.	Executive Director: Human Settlements  Executive Director: Corporate Services

**9. OVERSIGHT COMMITTEE RESOLUTIONS:**

Having fully considered the Nelson Mandela Bay Municipality's 2016/17 Annual Report, the Oversight Committee (MPAC) resolves to recommend to Council the following:

- (a) That the Council, having fully considered the Annual Report of the NMBM for the 2016/17 financial year, adopts the Oversight Report, circulated as Annexure "A" to this agenda, as presented by MPAC;
- (b) That the 2016/17 Annual Report be approved with comments and recommendations as included in the Oversight Report;
- (c) That the recommendations of the Municipal Public Accounts Committee reflected in Section 7 of its 2016/17 Oversight Report be adopted and that, the progress made with the implementation thereof be reported in the Quarterly Reports to MPAC;
- (d) That the 2016/17 Annual Report be amended as reflected in Section 7.1 of the Oversight Report;
- (e) That the outstanding recommendations by MPAC emanating from the 2015/16 financial year that have not yet been implemented, and as reflected in Section 8 of its 2016/17 Oversight Report, be adopted and that the progress with the implementation thereof be reported in the Quarterly Reports to MPAC.
- (f) That the Oversight Report be made public in accordance with Section 129(3) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.
- (g) That the Oversight Report for the 2016/17 financial year be submitted to the Provincial Legislature in accordance with Section 132(2) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.

- (h) That Council, having fully considered the Mandela Bay Development Agency's (MBDA's) Annual Report, as included in the NMBM's 2016/17 Annual Report, approves the Municipal Entity's Annual Report.

**APPENDIX "A":**

**Minutes of Oversight Committee  
(Municipal Public Accounts Committee)  
meetings**

## **MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

**(Meeting held on 30 January 2018)**

**PRESENT:** Councillor Y N Yako (Chairperson)

Councillor R N Captain  
Councillor M Feni (09:10)  
Councillor C Garai  
Councillor B N Mafaya  
Councillor M K Mogatosi  
Councillor L Mrara  
Councillor H Müller  
Councillor L Nombola  
Councillor T S Noqoli  
Councillor M G Steyn  
Councillor A Tyokwana  
Councillor H C van Staaden

**ALSO PRESENT:**

Councillor T Buyeye  
Councillor A Lovemore  
Councillor T Mhlongo  
Councillor K Ngumbela  
Councillor S M Ntshiza  
Councillor S Rafani  
Councillor R Riordan  
Councillor Z Vena

Acting City Manager (Ms V Zitumane)  
Chief Operating Officer  
Acting Chief Financial Officer (Ms B de Scande)  
Executive Director : Infrastructure and Engineering  
Executive Director : Sport, Recreation, Arts and Culture  
Executive Director : Economic Development, Tourism and Agriculture  
Executive Director : Human Settlements  
Executive Director : Safety and Security  
Acting Executive Director : Public Health (Mr T Mokonyane)  
Director : Internal Audit and Risk Management (Ms B Chan)  
Director : Safety and Security (Mr A Robile)  
Director : Safety and Security (W Prins)  
Assistant Director : Human Settlements (Mr R April)  
Assistant Director : Facilities (Mr C van Leyveld)  
Assistant Director : MIS (Mr R Naidoo)  
Assistant Director : Facilities Management (Mrs M Ncoyo)  
MPAC Coordinator : Office of the Speaker (Mr A de Wet)  
Network Controller : MIS (Mr C James)  
Chairperson : Audit Committee (Mr G Billson)  
Support Services : Safety and Security (Mr R Louw)  
Chief Committee Officer (Ms A Craighead)  
Committee Officer (Mr O Bingwa)  
Intern : Office of the City Manager (Ms I Mabandlela)

Upon commencing, Councillor Yako stated that she was well aware of the extensive task ahead as the new Chairperson and promised to serve MPAC and the institution at large to the best of her abilities with a view to ensuring accountability. The individual political parties on the Committee accordingly welcomed its new Chairperson.

**ABSENT WITHOUT LEAVE:**

Councillor T F Tshangela

**APPLICATIONS FOR LEAVE OF ABSENCE IN TERMS OF PARAGRAPH 3 OF THE CODE OF CONDUCT / APOLOGIES**

No applications for leave of absence were received.

**APOLOGIES**

Apologies were submitted for:

Councillor M Feni who would arrive late at the meeting.

**DISCLOSURE OF INTERESTS BY COUNCILLORS IN TERMS OF PARAGRAPH 5 OF THE CODE OF CONDUCT (SCHEDULE 1 OF THE SYSTEMS ACT NO. 32 OF 2000)**

There were no disclosures.

**DISCLOSURE OF INTERESTS BY OFFICIALS**

There were no disclosures.

**CONFIRMATION OF MINUTES**

It was indicated that **Min. No. 67.4/2017 (a)** recorded an instruction which was administratively incorrect and should therefore be amended to read as follows:

That paragraph (a) of Min. No. 67.4/2017 be rescinded and replaced by the following:

- (a) That the Executive Director : Infrastructure and Engineering consider appointing an additional service provider for break-down services with a view to eliminating delays in the event where there was a break-down.

**RESOLVED:**

That the Minutes of Proceedings of the Municipal Public Accounts Committee at its meetings held on 14 November 2017 and 28 November 2018, as circulated and as amended above, be hereby confirmed.

**REPORT BY EXECUTIVE DIRECTOR : CORPORATE SERVICES**

**1. 2016/17 ANNUAL REPORT : MEETINGS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (3/2/9/1) (Item 1 – Agenda p. 25)**

It was proposed that the meeting scheduled for 8 March 2018 be rescheduled to 12 March 2018 provided that there were no clashes with other meetings scheduled on the same day otherwise the date would remain.

**NOTED**

(NOTE BY SECRETARIAT: It was established that changing the date for the MPAC meeting per above was not possible as there was an Audit Committee meeting scheduled for that time.)

**2. 2016/17 ANNUAL REPORT OF NELSON MANDELA BAY METROPOLITAN MUNICIPALITY (10/1/1/1) (Item 2 – Agenda p. 25)**

(This item was considered in conjunction with item 3, agenda dated 30 January 2018)

A draft Road map attached hereto as **Annexure "A"** in respect of dealing with the 2016/17 Annual Report was tabled at the meeting with a view to assisting the Committee in terms of establishing the process thereof.

The Committee had no objection regarding the aforementioned process plan and as such it was agreed upon to adopt same.

**RESOLVED:**

That the draft MPAC oversight process plan Road map attached as Annexure "A" to these minutes be adopted in terms of dealing with the 2016/17 Annual Report.

**3. AUDITOR-GENERAL'S REPORT FOR 2015/16 (5/20/2/6/1) (3/2/9/3) (Item 3 – Agenda p. 26)**

This item was dealt with in conjunction with item 2 of the agenda dated 30 January 2018 and the proceedings recorded under **Min. No. 2/2018** above.

**NOTED**

**4. REPORT BY MPAC SUBCOMMITTEE ON UNAUTHORISED, IRREGULAR AND FRUITLESS EXPENDITURE (Item 4 – Agenda p. 26)**

**4.1 Section 32 of MFMA Report on Irregular Expenditure : Dimension Data (Pty) Ltd : SCM328-2010/2011 Provision and Maintenance Of Internet Services : R741 025,48 (5/20/2/5) (Item 4.1 – Agenda p. 26)**

**RESOLVED TO RECOMMEND:**

- (a) That in terms of Section 32(2)(b) of the MFMA the irregular expenditure of R741 025,48 in respect of the Dimension Data (Pty) Ltd: SCM328-2010/2011 provision and maintenance of internet services be certified as irrecoverable and be written off by Council, and that the no official be held accountable in terms of Section 32(1)(c) of the MFMA.
- (b) That the Accounting Officer:
  - (i) report the irregular expenditure in terms of Section 32(4) of the MFMA;
  - (ii) ensure that the necessary accounting treatment takes place as per National Treasury MFMA Circular 68.

**4.2 Resolution 2566 : Appointment of Nako Iliso Structural Engineer for the fire damages to the Mfanasekhaya Gqobose Building to also project manage the service provider that will undertake construction work (5/20/2/5) (Item 4.2 – Agenda p. 28)**

**RESOLVED TO RECOMMEND:**

- (a) That in terms of Section 32(2)(b) of the MFMA the irregular expenditure of R20 806,40 in respect of the appointment of Nako Iliso Structural Engineer for the fire damages to the Mfanasekhaya Gqobose building be certified as irrecoverable and be written off by Council, and that no official be held accountable in terms of Section 32(1)(c) of the MFMA.
- (b) That the Accounting Officer:
  - (i) report the irregular expenditure in terms of Section 32(4) of the MFMA;
  - (ii) ensure that the necessary accounting treatment takes place as per the National Treasury MFMA Circular 68.
- (c) That the institution ensure services are available within the Metro to avoid seeking assistance from outside (Consultants).



**4.3 Irregular Expenditure : Irregular Procurement of Skills Development Service Providers (5/20/2/5) (Item 4.3 – Agenda p. 29)**

The Committee expressed serious concerns regarding Section 32 reports that did not reflect information on disciplinary procedures and the outcomes where disciplinary action was necessary in respect of Unauthorised, Irregular and Fruitless Expenditure. This followed after a concern was raised as to whether the official responsible for the Irregular Expenditure regarding the matter had been disciplined.

The meeting was advised that a verbal warning was issued to the official concerned in this case.

It was stated that the reports should incorporate full information regarding consequences to officials in order for the Committee's effective consideration in respect of dealing with Unauthorised, Irregular and Fruitless Expenditure.

**RESOLVED TO RECOMMEND:**

- (a) That in terms of Section 32(2)(b) of the MFMA the irregular expenditure of **R917 047,66** in respect of the procurement of skills development service providers for services rendered between 9 June 2017 and 17 August 2017 be certified as irrecoverable and be written off by Council, and that no official be held accountable in terms of Section 32(1)(c) of the MFMA.
- (b) That the Accounting Officer –
  - (i) report the irregular expenditure in terms of Section 32(4) of the MFMA;
  - (ii) ensure that the necessary accounting treatment takes place as recorded in the National Treasury MFMA Circular 68.

**4.4 Section 32 of the MFMA : Report on Irregular Expenditure in Corporate Services MIS in the payment of Ilita Bits Deviations 2013, 2014, 2015, 2016 to the value of R25 909 112,81 (5/20/2/5) (Item 4.4 – Agenda p. 32)**

A concern was raised missing documents in respect of this item. It was stressed that same was not acceptable as it was one of the causes for ineffective governance.

**RESOLVED TO RECOMMEND:**

- (a) That in terms of Section 32(2)(b) of the MFMA the irregular expenditure of **R25 909 112,81** in respect of services by computer programmers be certified as irrecoverable and be written off by Council, and that no official be held accountable in terms of Section 32(1)(c) of the MFMA.
- (b) That the Accounting Officer:
  - (i) Report the irregular expenditure in terms of Section 32(4) of the MFMA
  - (ii) Ensure that the necessary accounting treatment takes place as recorded in the National Treasury MFMA Circular 68.

(The Executive Director : Economic Development, Tourism and Agriculture entered at 09:30 during discussion of this item.)

The Committee, in conclusion, raised the following serious concerns which the Chairperson undertook to follow up with the office of the Speaker:

1. The filling of vacancy for MPAC to ensure effectiveness.
2. Councillor T F Tshangela who had not been attending MPAC meetings.

The meeting terminated at 09:35.

**CHAIRPERSON**

## MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

(Meeting held on 13 February 2018)

**PRESENT:** Councillor Y N Yako (Chairperson)

Councillor R N Captain  
Councillor M Feni  
Councillor C Garai  
Councillor B N Mafaya  
Councillor M K Mogatosi  
Councillor L Mrara  
Councillor H Müller  
Councillor L Nombola (09:45)  
Councillor T S Noqoli  
Councillor M G Steyn  
Councillor T F Tshangela  
Councillor A Tyokwana  
Councillor H C van Staaden

**ALSO PRESENT:** Councillor L Grootboom

Councillor A Lovemore  
Councillor T Mhlongo  
Councillor K Ngumbela  
Councillor R Odendaal  
Councillor Q Pink  
Councillor R Riordan  
Councillor P Tshanga  
Councillor Z Vena

Acting City Manager (Ms V Zitumane)  
Acting Chief Operating Officer (Ms D McCarthy)  
Acting Chief Financial Officer (Ms B de Scande)  
Executive Director : Infrastructure and Engineering  
Executive Director : Economic Development, Tourism and Agriculture  
Executive Director : Safety and Security  
Acting Executive Director : Public Health (Mr T Mokonyane)  
Acting Executive Director : Sport, Recreation, Arts and Culture  
(Ms C Williams)  
Acting Executive Director : Electricity and Energy (Mr B G Lamour)  
Assistant Director : Human Settlements (Mr R April)  
Acting Deputy Director : Office of the COO (Mr W Obeng)  
Monitoring and Evaluation Practitioner : Office of the COO  
(Ms M Mrubata)  
MPAC Coordinator : Office of the Speaker (Mr A de Wet)  
Office of the Auditor General (Mr S Hlatshwayo)  
Office of the Auditor General (Mr S Ndabambi)  
Chief Auditor: Internal Audit and Risk Assurance (Mr W Alexander)  
Chief Committee Officer (Ms A Craighead)  
Committee Officer (Mr O Bingwa)  
Committee Officer (Ms V Heera)

The Committee at this stage raised a serious concern regarding the absence of the City Manager from two consecutive meetings of MPAC. It was stated that the matters that were discussed at these meetings were of utmost importance and that same needed his attention. However, it was established that the City Manager was away on Council business, but the Committee rejected that explanation stating that the dates of the meetings of MPAC were scheduled in the Calendar of Meetings and should therefore take first priority.

The absence of Executive Directors was also of concern.

It was indicated that the City Manager should ensure his presence in the next meeting of MPAC and that any communication regarding senior officials who would not be present at MPAC's meetings should be forwarded 72 hours prior to the meeting in order for the Chairperson to decide whether to postpone or continue with the meeting as scheduled.

#### **APPLICATIONS FOR LEAVE OF ABSENCE IN TERMS OF PARAGRAPH 3 OF THE CODE OF CONDUCT / APOLOGIES**

No applications for leave of absence were received.

#### **APOLOGIES**

Apologies were submitted for:

Councillor L Nombola who would arrive late due to family responsibilities.

Mr J Mettler (City Manager) who was away on Council business and was represented by Ms V Zitumane (Acting City Manager).

Mr M Clay (Chief Operating Officer) who was represented by Ms D McCarthy (Acting Chief Operating Officer).

Ms N Gqiba (Executive Director: Human Settlements) who was represented by Mr R April (Assistant Director: Human Settlements)

Ms N Nqwazi (Executive Director: Sport, Recreation, Arts and Culture) who was represented by Ms C Williams (Acting Executive Director: Sport, Recreation, Arts and Culture)

#### **DISCLOSURE OF INTERESTS BY COUNCILLORS IN TERMS OF PARAGRAPH 5 OF THE CODE OF CONDUCT (SCHEDULE 1 OF THE SYSTEMS ACT NO. 32 OF 2000)**

There were no disclosures.

#### **DISCLOSURE OF INTERESTS BY OFFICIALS**

There were no disclosures.

## **CONFIRMATION OF MINUTES**

### **RESOLVED:**

That the Minutes of Proceedings of the Municipal Public Accounts Committee at its meeting held on 30 January 2018, as circulated, be hereby confirmed.

## **REPORT BY EXECUTIVE DIRECTOR : CORPORATE SERVICES**

### **1. 2016/17 ANNUAL REPORT OF NELSON MANDELA BAY METROPOLITAN MUNICIPALITY (10/1/1/1)**

#### **1.1. Mandela Bay Development Agency (MBDA)**

##### **1.1.1 Auditor General's Report**

It was stated that the NMBM was cutting back on MBDA's budget due to non-spending and consequently, the MBDA entity was requested to structure its plans properly with a view to ensuring maximum spending of its budget. It was proposed that the MBDA should establish which projects it would embark on which would be carried out without any hampering issues.

A point of clarity was raised in respect of paragraph number 27 on page 916 of the Annual Report where it was indicated that the statement did not make sense. A representative from the office of the Auditor General explained that in the previous financial years, the MBDA did not receive any qualifications and that the reason for the Qualified Report in the 2016/17 financial year was due to the fact that its control systems had broken down.

It was indicated that where the Auditor General had expressed an opinion on some of the findings in the report, it was to raise a red flag on areas that may at a later stage cause problems for the entity and as such those areas needed strict internal control.

It was highlighted that a new Chief Executive Officer had been appointed for the MBDA and that a new structure was established with a view to addressing the issues that were faced by the entity.

A proposal was made that the Internal Control Systems in the MBDA be revised to ensure effective monitoring thereof. However, the Committee requested that at the next meeting of MPAC, the MBDA should do a presentation on the reasons for receiving a qualified report and explain what measures have been put in place to prevent recurrence of the matter.

This followed after it was established that the entity was not represented at the meeting.

### **RESOLVED:**

That the MBDA do a presentation at the next ordinary meeting of MPAC, to explain the reasons for receiving a qualified Audit report and the measures that have been put in place to prevent recurrence thereof.

### 1.1.2 Annual Financial Statements

No comments or concerns were raised in respect of MBDA's Annual Financial Statements.

### NOTED

## 1.2. Nelson Mandela Bay Municipality

### 1.2.1 Auditor General's Report

It was indicated that the Auditor General's letters should be taken seriously as they advised the institution on areas which needed strict monitoring and control and hence all the areas that were identified in the Auditor General's report required strict attention.

The Committee expressed dissatisfaction regarding the findings by the Auditor-General (AG) and accordingly stated that the main cause for the issues raised above was poor leadership. It was further indicated that most items that reflected in the report were the result of negligence and such was unacceptable.

Serious questions and concerns were raised in respect of the following matters:

- Property, plant and equipment
- Creditors-exchange transactions
- Irregular expenditure
- Unauthorised expenditure
- Expenditure management
- Consequence management
- Procurement and Contract management
- Asset management
- Leadership
- Financial management

The Acting Chief Financial Officer was requested to respond to questions raised and did so stating that she was going to try to put the matters raised into perspective, starting with the three qualifications, firstly with the qualification in respect of the PPE.

**Property, Plant and Equipment (PPE)** – The Acting Chief Financial Officer reported that in the 2014/15 financial year the NMBM had a service provider named Lamacs, which *inter alia* dealt with ensuring that the assessment of assets was performed. That service provider's services were no longer available to the NMBM and therefore for the past two financial years, 2015/16 and 2016/17 there had not been an assessment of the useful lives of the assets. However, the GRAP Standards states that assets should be re-valued every three years and the Municipality thus needs to ensure that its assets are re-valued as suggested.

The problem that the AG had, was that the Municipality did not specifically state that there wouldn't be a re-evaluation of the assets i.e. it's not necessarily that NMBM needed to re-value its assets this specific financial year, but needed to make a statement that it was not going to do this, but did not do so. However, the NMBM was currently in the third financial year. The issue under discussion took place in 2015/16 as well, but it had to be borne in mind that the AG has different focuses in different financial years and the focus of the re-evaluation of the assets was not one of the areas. It's not that it is a new qualification or that the situation in NMBM has



deteriorated, it's simply that the re-evaluation of the assets was not dealt with in the current financial year. However, a plan had already been put in place to assess the useful lives of assets. A communication had been put out to all the Directorates, and the Directorates would individually be dealing with the reassessment of the useful lives. The process would be driven by the Budget and Treasury office, and if a Directorate believes that their assets do not need to be re-evaluated, they would have to state this in writing to the Budget and Treasury Directorate, as that is what the AG requires. They require something in writing to say that NMBM is happy with the existing valuation, for example looking at vehicles, they will come back and say that they are happy that the useful lives do not need to be re-evaluated. That is where the error highlighted took place in the current financial year.

As far as having a Fixed Asset Register or not having a Fixed Asset Register, the status has not deteriorated in any way in terms of having a fixed register. The NMBM has never had a single data base where it holds all assets in one specific place. It has different repositories where the different asset registers are held, and they are brought together at year end. Hence when the AG talks about not having a fixed asset register it has been that way since inception, and is the existing way in which NMBM's records are captured in respect of its assets. Further this can be explained in greater detail if the Committee is looking at requirements, for example, of underground sewerage pipes – there are very specific needs when it comes to what is required in an asset register: the assessment of the condition of those assets is very different from the way one might look at one type of asset as compared to e.g. a motor vehicle. The requirements are very different when you look at different assets and there are various systems. NMBM has a Roads Management system, there's an EDAMs system, there is Fleet Management system. In summary, there are various systems that look at assets independently and those assets come together at year end to form a holistic asset register – that is what gave rise to the AG's comment, i.e. that holistically NMBM does not have a single repository where it holds its values – if the AG requires to examine an asset register, they must go to the individual records to get the detail of those assets.

As far as what happened in the year 2015/16 was concerned, the Acting Chief Financial Officer said that to put it in simple terms, there was a misstatement of the fixed assets where NMBM on the recommendation of the AG had to put through a journal entry, because there were problems with the value of the assets. That journal entry was subsequently put through in the 2016/17 year. What this journal entry to correct the situation did, was that it drove some of the assets into a negative state – an asset should not go into a negative state. The journal entries to process those transactions cannot be run during the day, as it is a journal consisting of more than a million entries and it can only be processed over a weekend due to the time involved. In respect of the timing of processing the entries and the time of them actually going through the system, there was a mismatch and the Budget and Treasury Directorate couldn't present proof that the entry was processed by the time that the AG closed down its input on the audit. That was part of the problem but not the only issue under focus.

There were also assets as was mentioned, that had zero values and that was where the re-evaluation of the assets arose, i.e. that NMBM specifically needs to say in respect of this asset that it was valued at zero and bring it in and then reverse the depreciation and readjust the value. That is where the AG is coming from when they say they cannot audit the value of the asset in the NMBM's asset register, simply because they are uncertain whether the asset value that is being disclosed is correct because there hasn't been a reassessment done, i.e. a condition assessment done of that asset. NMBM's books are not in a total disarray, it is simply that it needs to revalue that asset, and reverse the depreciation and extend the useful life thereof.

To reiterate on the Action Plan going forward, Budget and Treasury Directorate has already developed an extensive action plan to deal with all three qualifications and on the PPE side, meetings have already taken place with the various directorates where they will be explaining, how as directorates, they must deal with their specific revaluation of assets. For example, Facilities Management will be dealing with the revaluation of all buildings; Infrastructure and Engineering will be dealing with Fleet Management and the same exercise will be happening with other sections. There will be ongoing report backs on how far the various Directorates are with that evaluation process.

Looking at the next qualification which is the **Retentions**, to define it, the retentions is where money is held back or not paid on a contract. 10% of the contract value is held back from payment to a service provider in anticipation of possible defects. This Municipality has been dealing with retentions in the same manner since the year 2000 when it went live with the new system, as it moved over from 1999 to 2000 which was the Y2K, and the effect thereof. There was a new system that was developed and retentions had been handled in a certain manner. Retentions is very complicated in this institution, in the way that it deducts a certain amount of 10% from every payment that is made. There are various ways in which one can deal with retentions i.e. one can pay full amounts up to a certain point and then deduct the full amount either from the second last payment or the last payment. This municipality opted back in the year 2000 to deduct a certain percentage. The problem that NMBM has had with retentions is that the register that comes off the system is a list of all retentions that this municipality has ever made, whether they are outstanding or whether they are paid, so one needs to isolate the two processes.

The NMBM has a Retention Register which is simply a list of retentions. It is divorced from the accounting record where it is actually reconciled to say where the entries go through are the retentions that are being put aside each time. The problem is that the AG during the year under review asked for a link between the two which is also a request that hasn't come through before, and is the link between the system and between the accounting records. There's a manual reconciliation which is done but there is not an automated reconciliation which is done. What Budget and Treasury has done to deal with that, as obviously it needs to fix that problem now, which has existed since the inception on year 2000, and it has realised that the way in which this matter is dealt with needs to be simplified, so as to eliminate this finding going forward.

This was thus split into two parts, on the one hand the administration side, and on the other side the finance side which is dealing with identifying where there could be any problems that have arisen. There is also an over-ride facility which the system also allowed on the retentions. There have been extensive meetings with Electricity and Energy Directorate since this finding/qualification arose because one of the biggest problems which NMBM has with its retentions is found within that Directorate, and this must be dealt with in order to align the way that the retentions work. This is how, on the one side, Budget and Treasury is dealing with this, from a financial point of view.

From a systems point of view the system is being adjusted to ensure that the financial process we are aligned with the systems process and that the reconciliation process is automated, and that it is no longer a manual process. A developer has been allocated specifically with the sole function of dealing with this from the IT side. With the help of the Executive Director : Corporate Services, there is now a dedicated person to deal with the retentions and on the financial side there is a dedicated person to deal with it from the accounting side to ensure that this problem is sorted out going forward.



On the **Unauthorised Expenditure**, the Acting Chief Financial Officer stated that there were a number of reasons why a comment was made that additional unauthorised expenditure was incurred during the year under review, but taking the meeting back, also regarding the missing documentation, and the fact that Budget and Treasury Directorate was not able to provide the documentation, stated that it had to be made very clear that in the 2016/17 financial year, there was no additional missing documentation. A very sound filing system was implemented. There is now a Records Vault at Supply Chain Management Section. There are only two people that have access to that vault and there were no additional missing files or missing documents in the 2016/17 financial year. However, there is still missing documentation going back to the year 2003, which Budget and Treasury have attempted to source, and this is where the qualification comes in, and in respect of which an explanation will be given to the meeting as to the reason for the qualification.

However, as far as the additional irregular expenditure is concerned, the Municipality is going to continue incurring that irregular expenditure, and that's part of the R44 million. It will continue to incur that irregular expenditure as long as those active tenders which are being referred to as "open ended tenders" are still in place. So if there is a tender that is still active, and a lot of the aforementioned are, and go back to the year 2003. In addition, they cannot simply be terminated. Numerous meetings have been held in respect of this problem, including meetings with National Treasury in which the latter was asked to come to NMBM to meet with the Directorates in December 2017, which they did. They engaged with a number of officials and almost all the project managers from Infrastructure and Engineering Directorate. attended the meeting with National Treasury.

The process on the "open ended tenders", as already stated, are the ones for which letters of appointment were issued as far back as 2003. In those letters of award, there was specific work that was given to those service providers. That work was divided into phases: Phase 1 to Phase 6, and in that it specifically defines what is phase 1 and phase 6 and it specifically defines what area that work will be done in. As an example, specifically there will be a ward, say ward 1, tarring of gravel roads and there is phase 1 to phase 6. Extensive engagements have been had with the Infrastructure and Engineering Directorate to attempt to determine where/when those contracts can be terminated and advertisements published inviting tenders for new contracts. The officials have gone to the extent that as a Bid Adjudication Committee (BAC), it will not extend those contracts that are being brought to BAC if it is believed, or if there's not sufficient motivation for continuing with that tender, knowing that if they bring a motivation and they ask for that tender to continue for the completion of the work and they ask for an additional 30 months, that the Municipality is going to continue to incur irregular expenditure whilst that practice continues, and that is the reason for the ongoing finding regarding irregular expenditure, which is being incurred year on year.

The other issue raised was with the **Limitation of Scope**. The Committee is no doubt aware that in the last financial year, the NMBM had a "Limitation of Scope", and this is where the qualification emanates from. This is the sole reason for the qualification that was received; why it is being said that it wasn't there last year, and the question raised as to why it is there during the year under view. The reason for declaring irregular expenditure is that if the institution is non-compliant with any clause in the Act, that non-compliance is what determines irregular expenditure: non-compliance with any clause in the MFMA or in the Supply Chain regulations. If for example, there are 50 documents or 50 tick boxes that you need to tick for compliance, if *any one* of those 50 tick boxes is not ticked, irregular expenditure is incurred. This applies even to the extent that there might not be an attendance register – if the attendance register is missing, there is non-compliance and the reason for that is because it cannot be proved that a Councillor X didn't attend that meeting. If it can't be proved, for example, that a Councillor didn't attend that meeting, then it can't be proved there has been compliance with the clause that states that Councillors are prohibited from attending a BAC meeting. This is the background of the situation.

In moving the limitation of scope across, the Directorate took a one year's sample/venture to try and find as much of the missing documentation as possible, by writing to all the Directorates asking them to try and retrieve those documents from their records, as same could not be found in Supply Chain Management going back all those years. It might be recalled that it is only recently that Supply Chain became centralised. Prior to that Supply Chain was decentralised and every directorate kept its own documentation, hence the mission to acquire as much documentation as possible from other directorates. After acquiring same Budget and Treasury Directorate then accepted the fact that it had been able to rebuild files with a certain amount of documentation. The AG has stated that if it cannot be proved that a procurement process was followed, then that is going to be called Limitation of Scope because it cannot prove that correct process were actually followed. If the organisation can prove process has been followed, then it would be irregular expenditure. The problem is that some of the irregular expenditure was moved to limitation of scope, as there was documentation available to indicate that there was a Supply Chain process that was followed. Unfortunately, its not all the correct documentation. Not all the documentation was available because we're going back into history, 2003, 2004 and its not necessarily the correct documentation to ensure that the Supply Chain process was followed. As an example, if something was declared by NMBM as limitation of scope and later a document is found, that says there's a contract entered into between the NMBM and the service provider, then that contract is not sufficient evidence that supply chain processes were followed because a contract can actually have been entered into with not having followed Supply Chain processes. This is where the qualification came in – because it is being said that there was not sufficient documentation to prove that Supply Chain processes had been followed. However, this all relates back to historic information. In the current financial year the documentation was available and there was no missing documentation.

Adding to the increase in the Irregular Expenditure is the **Deviations**. Here, mention was made of the deviations for the open ended contracts. Those deviations are all currently being submitted to the BAC. National Treasury in the consultation that Budget and Treasury Directorate had with them in December 2017, stated that NMBM had to objectively look at the requests for the continuation of these open ended contracts: If the Municipality was going to incur additional costs or if there was a risk to the Municipality in cancelling the contract and embarking on a process to procure, then that contract needed to be extended. The reason for this is that it doesn't make logical sense to simply not approve that deviation and to get rid of that irregular expenditure. However, the Directorate concerned needs to take ownership of it and the Directorate also needs to motivate that it has done everything possible to ensure that there is no other alternative but to extend that contract going forward.

On the deviation side, basically the City Manager has prohibited all deviations going forward, which could give rise to irregular expenditure being incurred. Having said that, there are certain deviations that are allowed in terms of the regulations, but any deviation that is considered to be as a result of poor planning, which is going to result in irregular expenditure, will no longer be considered.

Referring again to the **Action Plan for the Irregular Expenditure**, the Acting Chief Financial Officer stated that an extensive action plan was being developed to deal with this issue. Having met with National Treasury in December 2017, a process came to light of which the Directorate was previously unaware, namely a way of dealing with irregular expenditure where this could be split into two processes. National Treasury actually asked why the NMBM doesn't split the processing of these cases into two steps. NMBM has been dealing with the consequence management and the write off as a single process. In response it was stated that it was easier for control purposes if one did not split the two. The reason for this is that if it is split into two steps, each issue has to be dealt with twice i.e. (i) dealing with the write off and (ii) dealing with the consequence management. However, National Treasury has recommended the two step

approach whereby the irregular expenditure is submitted through Council to get it written off and out of the financial statements and at the same time to note in the UIFW register, that the consequence management is being dealt with separately. The advantage of this is that the write off side of it is a lot easier to complete because one is simply dealing with a list of all the contracts that are giving you problems that will still be listed, together with the reasons for the irregular expenditure. However, the investigation will only take place at a later stage. Those are the suggested processes that are in place, which can be followed.

The Council's UIFW policy has also been revised and updated by Management recently. The revised policy has been to the Executive Management Committee and will be submitted to Council for approval soon. Included in the revised UIFW policy is the procedure on how the institution intends dealing with the limitation of scope, irregular expenditure and the split approach. Management is therefore comfortable that going forward, the institution will have its methodology in place.

The Acting Chief Financial Officer then turned to the issue which was raised regarding the **recurring problems in Supply Chain Management** and stated that there have been huge improvements in the SCM sub directorate over the last financial year. In the last year a head of Demand Management had been appointed, a position which was not previously in place. That Head of Demand Management is responsible for making sure that procurement plans are in place. In addition, the 2016/17 financial year was the first one in which the institution has actually had in place procurement plans signed by the Accounting Officer. As it was the first time, there would be room for improvement but at least there were signed Procurement Plans in place. Those procurement plans were being followed with the relevant cash flow plans. A Director of SCM, has been appointed in the last 2 – 3 months after operating with an Acting Director of SCM for over a year. Huge positive strides have been made in the Contracts Management Section that has been established within Supply Chain, since the incumbent was appointed. There was no Contracts Management section before. The establishment of same will ensure that there will be oversight and regular report backs on the performance of the management of those contracts. In addition, as mentioned earlier, specific dedicated staff have now been appointed who are dealing with the SCM files. In addition, space has been provided for this purpose in the Fidelity House building just purchased. The Tender Section will be moved to a specific space there with the relevant documents which will be in safe keeping, and removal of the files will not be allowed – if anybody who wants to look at the files or do evaluation processes they will have to go to the aforementioned office to do so.

Turning to the comment that was made on the BAC relating to that Committee **not appointing** the highest tenderer, the Acting Chief Financial Officer pointed out that what needs to be understood, was that the tendering process is a process that goes through a Specifications Committee which approves the specifications. The specification can have minimum requirements, and/or functionality requirements, besides all the minimum documentation that needs to be part of it. It then goes through the Bid Evaluation Committee, which is a separate committee which deals with ensuring the minimum requirements are met. If the minimum requirements are not met, irrespective of whether that service provider would have scored the highest points or not, that tender is disqualified from going any further. That, she explained, was one of the reasons why a highest point scorer might not be awarded a tender – because he/she is disqualified, and does not go into the functionality scoring. The second stage of the process gives the functionality scoring. If a service provider makes it through to the functionality scoring and he/she doesn't score the minimum number of points allocated, e.g. there could be 100 points allocated with a minimum requirement of 75 points to qualify: If he/she doesn't score the minimum 75 points required, he/she is also disqualified irrespective of whether he/she would have been the highest point scorer or not. The Committee then goes on to looking at eligibility or competency of being able to do the work. A number of Directorates deal with a benchmarking



price. Mentioning one specifically as an example, Public Health was cited. When considering something like weeding of open spaces, that Directorate has specific benchmarking where they say part of the requirements are that there have to be 2 EPWP people employed on a daily basis, as well as citing the need to ensure having the necessary equipment, and a vehicle. In summary, there are specific things that the Directorate names as part of the tender, that tenderers need to have. They will then establish a minimum price, which is obviously not disclosed, which is the minimum cost estimated to do the job, i.e. a tenderer cannot do it if quoting under R5/m<sup>2</sup> for weeding – there is no way that one could perform this function properly for less. Some of the tenderers that are disqualified are on the basis that their tender price is under that value. Current practice is that it must be disclosed that there will be a benchmarking value in place, and in the case of Public Health, if necessary, the directorate speaks to a service provider, advising them that if they come in with a price that is lower than the minimum, that this could be one of the reasons that they are not going to be successful as they would not be able to perform the work allocated to them.

Regarding allegations being made about unfair awarding of tenders, the Acting Chief Financial Officer stated that if somebody was making an allegation that NMBM was awarding tenders to tenderers it favours, without taking the necessary legislative requirements into play, that the councillors being given this complaint should forward the names of the service provider or the name of the person making that allegation to her office, to enable her to investigate that specific tender and provide a response on a specific allegation. Broad allegations cannot be made and entertained because there is a very structured process in place to ensure that there is no fraud or irregularities taking place in the SCM process.

At this stage, Chairperson proposed that the meeting resume after a 10 minute comfort break.

(Meeting adjourned at 11:30 and reconvened at 11:40.)

It was indicated that an Audit Action Plan that would deal with all the findings by the Auditor General had been developed and the Committee requested that same be submitted to MPAC to ensure that it covers all the Committee's concerns and for monitoring purposes.

It was proposed that the Municipality should establish a Central Record Keeping System that would reconcile various Asset registers into one register. The Committee also requested that the Chairperson in liaising with the MMC: Budget and Treasury and the Acting Chief Financial Officer, arrange a site visit to the Budget and Treasury's Supply Chain Management Sub-directorate with a view to acquiring better understanding on how the systems worked there.

**RESOLVED:**

- (a) That the Audit Action Plan be submitted to the next ordinary MPAC meeting.
- (b) That the Municipality considers developing a Central Record Keeping System that will reconcile various Asset registers into one register.
- (c) That the Chairperson in liaising with the MMC: Budget and Treasury and the Acting Chief Financial Officer, arrange a site to the Budget and Treasury's Supply Chain Management Sub-directorate with a view to acquiring better understanding on how the systems worked there.

### 1.2.2 Annual Financial Statements

It was indicated that the NMBM needed to pay attention to the red flags raised by the AG that would have an effect at a later stage. Consequently, it was proposed that Council should address the issue of its Deficit which was increasing and the Cash Holding which was the cause/result of under spending in the Adjustments Budget.

The Committee also raised concerns in respect of the following matters:

- *Land and Buildings (page 742 of the Annual Report)*

Following a concern on whether the figures were a true reflection of the value of the properties, it was reported that the figures shown in respect of Land and Buildings would be adjusted after the revaluation of properties had been done.

- *Councillors on Arrears (page 759 of the Annual Report)*

It was requested that a report in respect of Councillors who were in arrears be submitted to MPAC on a quarterly basis for effective monitoring thereof.

- *Credit Rating (page 693 of the Annual Report)*

It was indicated that the downgrading of the NMBM in respect of Credit Rating was in line with that of the country.

- *Contracted Services (page 756 of the Annual Report)*

In response to a concern as to why the NMBM was still paying huge amounts of money even after appointing people in the areas where Contracted Services were required, it was indicated that the Financial Statements relate to the previous financial year and had nothing to do with the current financial year, citing that the figures shown in respect of Contracted Services would have been adjusted after those people were employed by NMBM.

- *Consultants and other Professional Services*

It was explained the Municipality would hire Professional Services to oversee some of the projects where experts were required, while on the other hand would seek advice i.e. Legal from consulting externally due to lack of internal capacity.

The Committee requested that a report be submitted at the next ordinary meeting in order to get clarity on how much the Municipality was spending on Legal Services.

#### **RESOLVED:**

That a report be submitted by the Chief Operating Officer to the next ordinary meeting of MPAC with a view to establishing how much the Municipality was spending on Legal Services.

The Committee, in conclusion, reiterated its discomfort in respect of the absence of the City Manager at its meetings. It was agreed upon that the Committee engages with him at the next meeting of MPAC with a view to getting clarity on issues that were raised at this meeting. The Chairperson was requested to allocate the first hour of the next meeting to the aforementioned engagements with the City Manager.

The meeting terminated at 12:20.

**CHAIRPERSON**

## **MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

**(Meeting held on 20 February 2018)**

**PRESENT:** Councillor Y N Yako (Chairperson)

Councillor R N Captain  
Councillor M Feni  
Councillor C Garai  
Councillor B N Mafaya (09:05)  
Councillor M K Mogatosi  
Councillor L Mrara  
Councillor H Müller  
Councillor L Nombola  
Councillor T S Noqoli  
Councillor M G Steyn  
Councillor A Tyokwana (09:05)  
Councillor H C van Staaden

**ALSO PRESENT:**

Councillor J Best  
Councillor L Grootboom  
Councillor L Mlungwana  
Councillor A Lovemore  
Councillor R Odendaal  
Councillor Q Pink  
Councillor R Riordan  
Councillor Z Vena

Acting City Manager (Ms N Gqiba)  
Acting Chief Operating Officer (Ms D McCarthy)  
Acting Chief Financial Officer (Ms B de Scande)  
Executive Director : Infrastructure and Engineering  
Executive Director : Economic Development, Tourism and Agriculture  
Executive Director : Safety and Security  
Acting Executive Director : Public Health (Mr T Mokonyane)  
Acting Executive Director : Sport, Recreation, Arts and Culture  
(Ms C Williams)  
Acting Executive Director : Electricity and Energy (Mr B G Lamour)  
Director: Office of the City Manager (Ms N Skweyiya)  
Acting Director: Internal Audit and Risk Assurance (Mr N Bisson)  
Assistant Director : Human Settlements (Mr R April)  
Acting Deputy Director : Office of the COO (Mr W Obeng)  
Monitoring and Evaluation Practitioner : Office of the COO  
(Ms M Mrubata)  
Performance Practitioner: Office of the COO (Ms Z Mhuluhulu)  
Performance Practitioner: Office of the COO (Ms N V Goqoza)  
Assistant Performance Practitioner: Office of the COO (Mr L Baartman)  
MPAC Coordinator : Office of the Speaker (Mr A de Wet)  
Chief Committee Officer (Ms A Craighead)  
Committee Officer (Mr O Bingwa)  
Committee Officer (Ms V Heera)

The Committee at this stage expressed dissatisfaction in respect of the City Manager's absence from the meeting, following 2 previous meetings which he also could not attend, and at which the same concerns were raised.

It was stated that the City Manager had submitted an apology and that he was away on Council business.

Although the City Manager was represented by the Acting City Manager at the meeting, the Committee did not take kindly to his absence. It was indicated that MPAC had a mandate which was to hold the administration accountable for its functions and same could not be derailed due to negligence by senior officials.

Consequently, it was proposed that this meeting should be postponed to Thursday, 1 March 2018 with the provision that the City Manager should be present.

Taking into consideration the Committee's commitment to adhere to the deadlines in terms of dealing with the 2016/17 Annual Reports, it was proposed that the agenda for the meeting on Thursday, 1 March 2018 should incorporate the items that were in the agenda for this meeting, as well as those earmarked for consideration at the 3<sup>rd</sup> meeting. In addition, it was stated that members should bring their own lunch as same would not be offered at the meeting.

At the request of Councillor Captain, the Chairperson called for a 10 minute caucus meeting with a view to acquiring consensus from the Committee members in terms of dealing with the issue of the absence of the City Manager.

(The meeting was adjourned at 09:36 and reconvened at 09:46)

At this stage, it was agreed upon that the mandate of MPAC was to provide oversight and to hold the administration to account in respect of all activities carried out, hence in that sense it was important for the Accounting Officer to be present at MPAC meetings especially when it was dealing with the Annual Report.

The presence of Executive Directors at MPAC meetings was also strongly emphasised.

Consequently, the meeting was postponed to Thursday, 1 March 2018 as per the aforementioned proposal.

**RESOLVED:**

- (a) That this meeting be postponed to Thursday, 1 March 2018 with the provision that the City Manager ensures his presence thereat.
- (b) That the meeting on Thursday, 1 March 2018 incorporate the items that were in the agenda for this meeting and that members should bring their own lunch as same would not be offered at the meeting.

**APPLICATIONS FOR LEAVE OF ABSENCE IN TERMS OF PARAGRAPH 3 OF THE CODE OF CONDUCT / APOLOGIES**

Not considered.



**DISCLOSURE OF INTERESTS BY COUNCILLORS IN TERMS OF PARAGRAPH 5 OF THE  
CODE OF CONDUCT (SCHEDULE 1 OF THE SYSTEMS ACT NO. 32 OF 2000)**

Not considered.

**DISCLOSURE OF INTERESTS BY OFFICIALS**

Not considered.

**CONFIRMATION OF MINUTES**

Not considered.

**2. 2016/17 ANNUAL REPORT**

**RESOLVED:**

That consideration of this item be **DEFERRED** to the meeting on 1 March 2018.

The meeting terminated at 10:00.

**CHAIRPERSON**

## **MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

**(Meeting held on 1 March 2018)**

**PRESENT:** Councillor Y N Yako (Chairperson)

Councillor R N Captain  
Councillor M Feni  
Councillor C Garai  
Councillor B N Mafaya  
Councillor M K Mogatosi  
Councillor L Mrara  
Councillor H Müller  
Councillor L Nombola  
Councillor T S Noqoli  
Councillor M G Steyn  
Councillor T F Tshangela  
Councillor A Tyokwana  
Councillor H C van Staaden

**ALSO PRESENT:** Councillor L Grootboom  
Councillor A Lovemore  
Councillor K Ngumbela  
Councillor Q Pink  
Councillor Z Vena

City Manager  
Chief Operating Officer  
Acting Chief Financial Officer (Mr J Ngcelwane)  
Chief Financial Officer: MBDA (Mr A Daya)  
Executive Director : Corporate Services  
Executive Director : Infrastructure and Engineering  
Executive Director : Economic Development, Tourism and Agriculture  
Executive Director : Sport, Recreation, Arts and Culture  
Acting Executive Director : Public Health (Mr T Mokonyane)  
Acting Executive Director : Human Settlements (Mr S Nogampula)  
Acting Executive Director : Electricity and Energy (Mr B G Lamour)  
Director : Office of the City Manager (Ms N Skweyiya)  
Director : Traffic and Licencing (Safety and Security) (Mr W Prins)  
Director : Economic Development, Tourism and Agriculture  
(Ms A Buchner)  
Acting Director : Internal Audit and Risk Assurance (Mr N Bisson)  
Deputy Director : Pools (SRAC) (Ms N Levela)  
Monitoring and Evaluation Practitioner : Office of the COO  
(Ms M Mrubata)  
MPAC Coordinator : Office of the Speaker (Mr A de Wet)  
Office of the Auditor General (Mr S Ndabambi)  
Office of the Auditor General (Mr S Pieters)  
Chief Committee Officer (Ms A Craighead)  
Committee Officer (Mr O Bingwa)  
Committee Officer (Ms V Heera)

## **APPLICATIONS FOR LEAVE OF ABSENCE IN TERMS OF PARAGRAPH 3 OF THE CODE OF CONDUCT / APOLOGIES**

No applications for leave of absence were received.

## **DISCLOSURE OF INTERESTS BY COUNCILLORS IN TERMS OF PARAGRAPH 5 OF THE CODE OF CONDUCT (SCHEDULE 1 OF THE SYSTEMS ACT NO. 32 OF 2000)**

There were no disclosures.

## **DISCLOSURE OF INTERESTS BY OFFICIALS**

There were no disclosures.

## **CONFIRMATION OF MINUTES**

### **RESOLVED:**

That the Minutes of Proceedings of the Municipal Public Accounts Committee at its meetings held on 13 and 20 February 2018, as circulated, be hereby confirmed.

## **REPORT BY EXECUTIVE DIRECTOR : CORPORATE SERVICES**

3. **2016/17 ANNUAL REPORT OF NELSON MANDELA BAY METROPOLITAN MUNICIPALITY (10/1/1/1) (Item 1 – Agenda p. 20)**
  - 3.1 **Performance Scorecards (p. 323 – 340 of the Annual Report)**
    - 3.1.1 **Receipt of Unqualified Audit report issued in respect of the 2015/16 financial year (KPA 1: Effective City Governance) (KPI No. 1.4.1)**

The Committee expressed dissatisfaction regarding the Qualified Reports from the Auditor General in respect of the 2016/17 Financial Year and accordingly stressed that there should be consequences for those directorates that fail to carry out their functions in a responsible manner.

A representative from the Auditor General explained that the Institution received qualification due to financial systems that were not in place, record keeping which was not properly managed and lack of internal control. Subsequently, he advised that those areas needed urgent attention.

The City Manager in response stated that an Audit Action Plan was developed to address the matters raised by the Auditor General which was implemented by Executive Directors and overseen by Internal Audit and the Audit Committee and where results were subjected to an informal review by the Auditor General to monitor progress thereof. He added that measures were in place to deal with the qualifications i.e. Section 32 reports that were submitted to MPAC Subcommittee which also dealt with consequence management.

The Acting Chief Financial Officer further indicated that there were interactions with the National Treasury in terms of amending the UIF&W policy and that the financial systems were being re-developed to ensure effectiveness in dealing with the problems that were raised by the Auditor General. (The amended policy would be submitted to the next MPAC Subcommittee meeting and thereafter through Council's Standard Committees to Council for approval.)

The Committee was of the view that the policy regarding the Irregular Expenditure should be implemented as soon as possible, including the Audit Action Plan and that same be monitored through MPAC's Quarterly meetings.

**RESOLVED:**

- (a) That the UIF&W Policy be submitted for approval and be implemented as a matter of urgency.
- (b) That the Audit Action Plan be implemented and that same be monitored through MPAC's Quarterly meetings.

**3.1.2 Percentage (%) reduction in year-to-year water losses in line with the International Water Association (IWA) Audit Standards (KPA 2: Integrated Service Delivery to a well-structured city) (KPI No. 2.1.5)**

The Committee expressed serious concerns regarding water losses and accordingly advised that residents of the Nelson Mandela Bay should be encouraged to use water sparingly.

Leaks causing water losses were of serious concern. It was stated that the Municipality was spending extensive amounts of money appointing external service providers in terms of dealing with leaks and hence the continued losses were unacceptable. Consequently, it was advised that the Municipality should be capacitated with more plumbers through the Expanded Public Works Programme.

It was stated that a report should be submitted to the Infrastructure and Engineering Standing Committee in respect of Water Losses and Leaks and that same should reflect accurate information i.e. the number of plumbers needed to deal with the leaks, as well as clear backlogs.

The Committee noted that there was a process of appointing additional plumbers and accordingly requested that the process be accelerated.

**RESOLVED:**

- (a) That the process of appointing additional plumbers to fix water leaks and curb water losses, be accelerated.
- (b) That a report in respect of Water Leaks be submitted to the Infrastructure and Engineering Standing Committee and that same reflect accurate information i.e. regarding the number of plumbers needed to deal with the leaks, including backlogs.

**3.1.3 Number of State Subsidised Housing units provided with access to water and sanitation (KPA 2: Integrated Service Delivery to a well-structured city) (KPI No. 2.1.6)**

Serious concerns were raised in respect of Contractors that did not perform as required. The Committee was of the view that Contractors should be monitored to ensure progress of the projects that were allocated to them and also indicated that if a certain Contractor was not performing adequately, then that Contractor should be blacklisted and not be awarded any more projects.

The City Manager indicated that he would revert to the Committee in writing, following a question on the target for the 2018/19 financial year in respect of Houses provided with access to water and sanitation.

**RESOLVED:**

- (a) That the City Manager submit a report to the next ordinary meeting of MPAC reflecting the target regarding Houses provided with access to water and sanitation for the 2018/19 financial year.
- (b) That the Executive Director : Infrastructure and Engineering investigate a system of monitoring and evaluating Contractors with a view to black-listing under/non-performing Contractors.

**3.1.4 Percentage (%) electricity losses (the difference in energy purchased and energy sold) in line with NERSA standards (KPA 2: Integrated Services Delivery to a well-structured city) (KPI No. 2.4.1)**

The Committee raised serious concerns in respect of electricity losses.

When asked about AMAT, the service provider that was appointed to address the issue of electricity losses, the Acting Executive Director : Electricity and Energy explained that the contract with same had ended and that another service provider was being appointed. Invoices had to be checked and verified before payment was made to the Service Provider, which took time, hence the delay in reporting.

However, the Committee expressed dissatisfaction in respect of not being given the reasons for underperformance by AMAT yet there was an invitation out for a new service provider without proper consultation. Consequently, it was stated that the Accounting Officer responsible for monitoring and evaluation for the work by AMAT should be held responsible for its failure to comply and that an investigation be instituted against the aforementioned service provider.

Furthermore, it was stated that the strategy for addressing electricity losses should be accelerated.

**RESOLVED:**

- (a) That the Strategy for addressing electricity losses and connecting Informal Settlements be accelerated.
- (b) That the City Manager institute an investigation into whether the official responsible for monitoring and evaluation of the work done by AMAT can be held liable for underperformance by the aforementioned service provider.

- (c) That the Acting Executive Director : Electricity and Energy submit the close-out report detailing the final data on the contract with AMAT with a view to enabling the Committee to understand the specifications to be included in a new contract before appointing a new service provider.

**3.1.5 Number of housing opportunities (social housing and state subsidised housing) provided) (KPA 2: Integrated Service Delivery to a well-structured city) (KPI No. 2.5.1)**

Contractors that have underperformed were of serious concern. Consequently, the Committee reiterated its request to blacklist all Contractors that had failed to deliver and that the officials responsible for the monitoring of projects should be held accountable. The Acting Chief Financial Officer was requested to submit a report on the reasons for issuing payments to Contractors where no evaluation took place.

In response to questions and concerns, the City Manager explained that there were on-going investigations regarding this item and indicated that he would consult the investigators and revert to the Committee regarding the finalisation of same. He further stated that once the investigations were complete, a comprehensive report would be submitted to this Committee.

**NOTED AND RESOLVED:**

That the City Manager follow up with the NHRBC on the status of the investigations on non-performance of these housing projects and report back to MPAC's next ordinary meeting thereon.

**3.1.6 Number of Local Spatial Development Frameworks (LSDF) approved by Council (KPA 2: Integrated Service Delivery to a well-structured city) (KPI No. 2.5.4)**

The Committee expressed discomfort regarding the name "Ibhayi" that represented areas in the townships and accordingly requested the Executive Director : Sport, Recreation, Arts and Culture to change same.

In response to a concern regarding the status the three Local Spatial Development Frameworks that should have been approved by Council, the City Manager confirmed that same had been approved. However, the Committee requested that the City Manager should submit a report in that regard.

**RESOLVED:**

- (a) That the Executive Director : Sport, Recreation, Arts and Culture facilitate the name changing of Ibhayi on the relevant Spatial Development Framework document (LSDFs).
- (b) That the City Manager submit a progress report to MPAC's next ordinary meeting in respect of when the LSDFs were approved by Council.



**3.1.7 Percentage (%) households within the urban edge receiving a weekly domestic waste collection services (excluding informal areas on a privately owned erven and erven not earmarked for human settlements development) (KPA 2: Integrated Service Delivery to a well-structured city) (KPI No. 2.6.1)**

In respect of this item, the Committee expressed serious concerns regarding cooperatives that were not working.

However, it was explained that a tender was submitted to BAC which was subsequently rejected and sent back for amendments. In addition, it was indicated that this matter would be finalised by 31 March 2018.

The Committee requested the Acting Executive Director : Public Health to submit a progress report in respect of this item to the next ordinary MPAC meeting and that the process of appointing cooperatives be accelerated.

**RESOLVED:**

- (a) That the Acting Executive Director : Public Health submit a progress report in respect of this item to the next ordinary meeting of MPAC.
- (b) That the process of appointing cooperatives be accelerated.

**3.1.8 Percentage (%) completion of the Wolfson Stadium upgrade (KPA 2: Integrated Service Delivery to a well-structured city) (KPI No. 2.9.3)**

The Committee requested the Chairperson to liaise with the Executive Director : Sport, Recreation, Arts and Culture and arrange a site visit to the Wolfson Stadium with a view to ensuring oversight, to ease its discomfort with the indicator that there was "over-performance" on the project.

**RESOLVED:**

That the Chairperson in liaison with the Executive Director : Sport, Recreation, Arts and Culture arrange a site visit to the Wolfson Stadium to ensure oversight of this project.

**3.1.9 Percentage (%) completion of Motherwell Thusong Centre (Phase 2: Traffic and Licensing Centre) (KPA 2: Integrated Services Delivery to a well-structured city) (KPI No. 2.14.1)**

The Committee raised serious concerns regarding delays in projects and accordingly stressed that same should be avoided as delays cost the Municipality huge amounts of money. Consequently, it was requested that the Municipality should try and speed up projects where possible to avoid unnecessary delays.

**NOTED**

**3.1.10 Percentage (%) completion of precinct plan for Bayworld upgrade (KPA 2: Integrated Service Delivery to a well-structured city) (KPI No. 2.16.1)**

The Committee raised serious concerns regarding the delays in upgrading Bayworld. It was indicated that the place was not only for tourist attraction but it was also educational as local schools visited regularly.

The Executive Director : Economic Development, Tourism and Agriculture explained that there were issues hampering progress in respect of this item i.e. there was no consensus between the Municipality and the Provincial Government regarding the way forward hereon. He further stated that the MBDA was fully committed to this project and it was ready to implement any resolution from the consensus between the Institution and the Province once the issues were addressed.

The Committee was of the view that a progress report regarding this item should be submitted to the next ordinary meeting of MPAC and that the Chairperson in liaison with the Executive Director : Economic Development, Tourism and Agriculture arrange a site visit to Bayworld with a view to gaining better understanding of the circumstances there.

The representative from MBDA stated that the entity was aware of the problems surrounding this project and would be discussing it at its next meeting whereafter a written response thereon would be submitted to NMBM.

**RESOLVED:**

- (a) That the Executive Director : Economic Development, Tourism and Agriculture submit a progress report on the developments or lack thereof in respect of the upgrading of Bayworld to the next ordinary meeting of MPAC, including a cost estimate for remedial actions, with timeframes.
- (b) That the Chairperson in liaison with the Executive Director : Economic Development, Tourism and Agriculture arrange a site visit to Bayworld in order for the Committee to gain better understanding of the situation there.

At this stage, the meeting was adjourned for a period of 10 minutes (comfort break) at the request of the Chairperson.

(Adjourned at 11:10 and reconvened at 11:20)

**3.1.11 Percentage (%) completion of Helenvale precinct areas upgrade (through the construction of sidewalks and pedestrian walkways (KPA 2: Integrated Service Delivery to a well-structured city) (KPI No. 2.16.6)**

Delays in respect of this item were of serious concern.

It was however explained that gangsterism and SMME's were major issues that were hampering progress herein. Helenvale presented similar problems for MBDA.

The Committee was of the view that SMME's should be sent to workshops and also be made aware of the consequences for not/underperforming. This followed after it transpired that these SMME's accepted tenders which they were incapable of implementing, for the sake of remuneration and as a result they would end up selling/sub-contracting out same.



It was stressed that the Directorate that was responsible for this item had to ensure acceleration regarding its progress.

**RESOLVED:**

That the Executive Director : Economic Development, Tourism and Agriculture ensures that the project in respect of this item is accelerated.

**3.1.12 Developing an Ocean Economy Strategy and Implementation Plan for Nelson Mandela Bay (KPA 3: Inclusive Economic Development and Job Creation) (KPI No. 3.1.3)**

Progress status in respect of this item was of concern.

However, it was explained that there was a Draft Economic Growth Strategy which would be in place before the end of the 2017/18 financial year.

The Chief Operating Officer added that extensive work had been done and a progress report thereon would be submitted to the Executive Mayor.

**NOTED**

**3.1.13 Number of Work Opportunities (WO) created (KPA 3: Inclusive Economic Development and Job Creation) (KPI No. 3.2.1)**

(KPI No. 3.2.1 and 3.2.2 were dealt with simultaneously)

The Committee raised the following concerns in respect of this item:

- EPWP targets needed to be realistic
- EPWP contracts to be extended, i.e. longer than 3 months
- Consultation with Ward councillors regarding progress and development

The Executive Director : Economic Development, Tourism and Agriculture explained that a report that reflected plans to address the challenges facing the EPWP would be submitted to Council.

It was agreed upon that EPWP targets needed to be reviewed in order to be realistic and that an appropriate budget be allocated in that regard.

**RESOLVED:**

That EPWP targets be reviewed by the Executive Director : Economic Development, Tourism and Agriculture in order to be realistic and that an appropriate budget be allocated in that regard.

**3.1.14 Number of Full-Time Equivalent (FTE) jobs created (KPA 3: Inclusive Economic Development and Job Creation) (KPI No. 3.2.2)**

This item was dealt with in conjunction with KPI No.3.2.1 and the proceedings are recorded under **Min No.3.1.13** above.

**3.1.15. Number of people from employment equity target groups employed in the three highest levels of management (City Manager Section 56 Managers and Strategic Skilled Level Managers) in compliance with the Municipality's approved Employment Equity Plan (KPA 4: Institutional and Capacity Development) (KPI No. 4.2.1)**

The City Manager stated that the original targets in respect of this item were set against the total amount of positions of which some had already been filled. However, he further commented that all the vacant positions were filled.

This followed after the report in respect of this item reflected that targets were met and at the same time discussed reasons for not achieving, which then created confusion.

**NOTED**

**3.1.16 Percentage (%) of the Municipalities budget actually spent on implementing its Workplace Skills Plan (KPA 5: Financial Sustainability and viability) (KPI No. 5.1.1)**

The fact that the budget in respect of this item was not exhausted was of concern.

The City Manager explained that the budget was not exhausted due to courses that the Municipality did not incur any costs on, citing that the service providers offered the courses at no cost. He further explained that this item focused only on spending hence the status was "not achieved"; however there were a significant number of people that were trained in the Municipality in the 2016/17 financial year.

**NOTED**

**3.1.17 Percentage (%) of the Municipality's Capital Budget actually spent (KPA 5: Financial Sustainability and viability) (KPI No. 5.1.5)**

Procurement processes in respect of this item were of serious concerns. Consequently, it was indicated that financial control should be strengthened in the Budget and Treasury Directorate.

The Acting Chief Financial Officer however confirmed that measures were now in place to address the issues that were raised.

**NOTED**

**3.1.18 Percentage (%) of the Municipality's approved Operating Budget spent on repairs and maintenance (KPA 5: Financial Sustainability and viability) (KPI No. 5.1.6)**

The Committee raised a concern regarding targets that were not met in respect of this item and accordingly indicated that systems to ensure targets were met should be strengthened.

The statement was made that there had been no improvement at SCM despite the Committee's site visit.

The Acting Chief Financial Officer reported that much work had since been done and was still in progress and stated that the Committee was welcome to visit in April 2018 to witness same.

**NOTED AND RESOLVED:**

That the Acting Chief Financial Officer ensure that systems are established to ensure that maintenance budgets are spent and that Quarterly Performance reviews be implemented to ensure performance by Executive Directors.

**3.1.19 Percentage (%) implementation of the Municipal Standard Chart of Accounts (mSCOA) Phase 2 Implementation Plan (KPA 5: Financial Sustainability and viability) (KPI No. 5.2.1)**

The Committee was of the view that mSCOA should be a priority in the Municipality's implementation plans if its importance in the Institution was to be realised.

A representative in the Auditor General's office accordingly advised that mSCOA carried a huge risk if not properly implemented and hence the Committee should receive progress reports thereon.

**RESOLVED:**

That progress reports in respect of mSCOA be submitted as part of MPAC's quarterly reports.

**3.2 Chapter 1 – Executive Mayor's Foreword and the Executive Summary (p. 12 – 72 of the Annual Report)**

On page 17 (paragraph (k) of the Annual Report) – The Committee raised serious concerns regarding the fact that two Beaches, i.e. St George's Strand Beach and New Brighton Beach that did not have a Blue Flag status and indicated that same showed segregation. However, the Executive Director : Sport, Recreation, Arts and Culture explained that these two Beaches would be included in the Blue Flag programme in the 2017/18 financial year.

Also on page 17 of the Annual report, the Committee objected the statement under paragraph (j) and accordingly stated that it should be amended to read as follows:

**"Good progress was made towards upgrading the Walmer/Fountain Road by building changing rooms and ablutions at the sport field."**

This followed after it was discovered that there were no changing rooms and ablutions at the sport field and therefore it was inappropriate for the statement to read as reflected in the report.

The second major concern the Committee raised in respect of this item was the issue of Unspent Conditional Grants which was reflected from page 32 of the Annual Report. It was stressed that the Municipality should ensure maximum spending of Grant Funding to ensure effective service delivery.

The City Manager explained that there were measures in place to ensure maximum spending of these grants i.e. through the Mid-term report that was considered by Council and through the Budget Monitoring Forum Committees.

**NOTED**

At this stage the meeting was adjourned for lunch at the request of the Chairperson.

(Adjourned at 13:00 and reconvened at 13:30)

### **3.3 Chapter 2 – Governance (p. 73 – 98)**

No comments or concerns were raised in respect of this item.

**NOTED**

### **3.4 Chapter 3 – Service Delivery Performance (p. 99 – 351)**

The Committee raised the following serious concerns in respect of this item:

- Uncertainties regarding the Water Master Plan
- Water losses
- Refuse collection
- Lack of Capacity in the Legal Services and Risk Management sub-directorate
- Response time in respect of Fire Services
- Stormwater drainage

In response, it was stated that the Water Master Plan was adopted by Council to address the general water issues faced by the Municipality.

Consequently, it was indicated that a realistic strategy to curb water losses along with the strategy to fill in vacancies in order to deal with water leaks should be submitted to the Infrastructure and Engineering Standing Committee.

With regards to refuse collection, it was indicated that there were projects which were implemented to ensure cleanliness of the city i.e. War on Waste which dealt with the illegal dumping in and around the city.

In terms of capacitating Legal Services, it was stated that a number of funded vacancies were filled and that more positions would be created to assist other directorates which required legal capacity.

Regarding the response time for fires which was of concern, it was indicated that there were issues hampering same such as the shortage of staff especially when there were more than one incident at the same time. The Committee requested that the Executive Director : Safety and Security submit a comprehensive report which should reflect response times and the register in which every incident and outcomes are recorded to the next ordinary meeting of MPAC. However, the Fire Department was congratulated on excellent work done.

In respect of Stormwater drainage issues, the City Manager reported that problem areas were identified in advance and corrective actions taken. In areas experiencing cleaning backlogs, problems could be experienced.

**RESOLVED:**

- (a) That a realistic strategy to curb water losses along with the strategy to fill in vacancies in order to deal with water leaks be submitted to the next meeting of the Infrastructure and Engineering Standing Committee.

- (b) That the Executive Director : Safety and Security submit a comprehensive report which should reflect response times and the register in which every incident and outcomes are recorded to the next ordinary meeting of MPAC.

### **3.5 Chapter 4 – Organisational Development (p. 352 – 376)**

In response to questions regarding steps that were taken regarding suspended officials and people who took sick leave without proving a doctor's certificate, it was indicated that other officials would have to act in positions where designated employees were suspended to avoid backlog, negligence and compliance. Secondly, with regards to sick leave, a doctor's certificate was not required if an official was on sick leave for 1 – 2 days, only for 3 or more days. However there should be disciplinary actions where an employee took sick leave for more than 3 days if no doctor's certificate was produced.

It was further explained that an employee who belonged to a labour broker was not eligible to any payment from the Municipalities hence more people of that nature were absorbed and made permanent staff member thereof. This followed after a question was raised in relation to an injury while on duty.

**NOTED**

The meeting terminated at 14:30.

**CHAIRPERSON**

## **MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

**(Meeting held on 8 March 2018)**

**PRESENT:** Councillor Y N Yako (Chairperson)

Councillor M Feni (09:10)  
Councillor C Garai  
Councillor B N Mafaya  
Councillor M K Mogatosi  
Councillor L Mrara  
Councillor H Müller  
Councillor L Nombola  
Councillor T S Noqoli  
Councillor M G Steyn  
Councillor T F Tshangela  
Councillor H C van Staaden

**ALSO PRESENT:** City Manager  
Chief Operating Officer  
Acting Chief Financial Officer (Mr J Ngcelwane)  
Executive Director : Corporate Services  
Executive Director : Sport, Recreation, Arts and Culture  
Acting Executive Director : Public Health (Mr T Mokoneyane)  
Director : Office of the City Manager (Ms N Skweyiya)  
Director : Economic Development, Tourism and Agriculture  
(Ms A Buchner)  
Acting Director : Internal Audit and Risk Assurance (Mr N Bisson)  
Acting Director: Human Settlements (Mr R April)  
Monitoring and Evaluation Practitioner : Office of the COO  
(Ms M Mrubata)  
MPAC Coordinator : Office of the Speaker (Mr A de Wet)  
Representative : Infrastructure, Engineering and Energy  
Representative : Economic Development, Tourism and Agriculture  
Chief Financial Officer: MBDA (Mr A Daya)  
Office of the Auditor General (Mr S Ndabambi)  
Office of the Auditor General (Mr S Pieters)  
Chief Committee Officer (Ms A Craighead)  
Committee Officer (Mr O Bingwa)  
Committee Officer (Ms V Heera)

### **ABSENT**

**WITHOUT LEAVE:** Councillor A Tyokwana

### **APPLICATIONS FOR LEAVE OF ABSENCE IN TERMS OF PARAGRAPH 3 OF THE CODE OF CONDUCT / APOLOGIES**

No applications for leave of absence were received.



Apologies were received from:

Councillor R N Captain who was away in Gothenburg on Council business.

Dr W Shaidi (Executive Director: Infrastructure and Engineering) who was represented by Mr T Arthur.

Ms N Gqiba (Executive Director: Human Settlements) who was represented by Mr R April (Acting Director: Human Settlements).

Mr A Qaba (Executive Director: Economic Development, Tourism and Agriculture) who was represented by Ms L Mxenge.

#### **DISCLOSURE OF INTERESTS BY COUNCILLORS IN TERMS OF PARAGRAPH 5 OF THE CODE OF CONDUCT (SCHEDULE 1 OF THE SYSTEMS ACT NO. 32 OF 2000)**

There were no disclosures.

#### **DISCLOSURE OF INTERESTS BY OFFICIALS**

There were no disclosures.

#### **CONFIRMATION OF MINUTES**

##### **RESOLVED:**

That the Minutes of Proceedings of the Municipal Public Accounts Committee at its meetings held on 1 March 2018, as circulated, be hereby confirmed.

#### **REPORT BY EXECUTIVE DIRECTOR : CORPORATE SERVICES**

#### **4. 2016/17 ANNUAL REPORT OF NELSON MANDELA BAY METROPOLITAN MUNICIPALITY (10/1/1/1)**

##### **4.1 City Manager's response to questions raised at the meeting on 13 February 2018**

The City Manager undertook to submit a report that would address follow up questions by the Committee, following further interrogation on the following:

- Page 22 of the agenda under Leak Repairs where it was stated that there were procurement issues, the Committee therefore, sought to establish what the procurement issues were to which the City Manager was referring.
- The status in respect the volume of water wasted from leaks (as reflected on page 23 of the agenda under paragraph 1)

The Committee expressed serious concerns regarding officials who represented Executive Directors and who could not address some of the questions it raised. It was stated that the Executive Director's should ensure their attendance at MPAC meetings or otherwise the officials representing them should be capacitated with sufficient information in order to be able to attend to the questions and concerns raised at these meetings.

This followed after the Committee had raised questions to an official that represented the Executive Director: Infrastructure and Engineering who could not attend the meeting. However, the Acting MMC: Infrastructure and Engineering Councillor Lovemore explained that the directorate consisted of 2 different sections i.e. Water and Roads & Transport. She further indicated that she would advise the Executive Director: Infrastructure and Engineering that in future he should deploy an official for each of the aforementioned sections to ensure matters were address appropriately.

**NOTED AND RESOLVED:**

That the City Manager request the Executive Director : Infrastructure and Engineering to submit written answers to the following queries raised to the next meeting of MPAC (15 March 2018):

- Page 22 of the agenda under Leak Repairs where it was stated that there were procurement issues, the Committee therefore, sought to establish what the procurement issues were to which the City Manager was referring.
- The status in respect the volume of water wasted from leaks (as reflected on page 23 of the agenda under paragraph 1)

**4.2 Chapter 5 – Financial Performance (p. 377 – 525)**

The following matters were raised by the Committee.

**4.2.1 Service Charges – Electricity Revenue**

Electricity losses were of serious concerns.

The City Manager explained that the issue of electricity losses was being addressed although it was not happening at the required pace. He further highlighted that the National Treasury had promised to provide R150 000 000 with a view to assisting the Municipality in terms of addressing electricity issues, which money was not received. However, the Institution was doing the best it could with what money was available from its own funds to address electricity losses.

**RESOLVED:**

That Electricity Losses be addressed by the Acting Executive Director : Electricity and Energy and that progress reports be submitted to the Infrastructure and Engineering Standing Committee, and also be submitted as part of the Quarterly Reports to MPAC.

**4.2.2 Service Charges – Water Revenue**

It was indicated that there were approximately 28 000 households that were not metered and that there was an audit in progress that sought to establish exactly which of those houses were, and their respective locations. Consequently, the Committee raised a concern regarding the status of the aforementioned process. However, the City Manager undertook to submit a report to the next MPAC meeting in response to the Committee's concerns in respect of this item.



**RESOLVED TO RECOMMEND:**

That the Audit in respect of which houses are still without Water Meters be completed as a matter of urgency, and that water meters be installed in same, and that the necessary budget be provided for this process.

**FURTHER RESOLVED:**

That the City Manager submit a report in writing to the next ordinary meeting of MPAC on the status of the Audit of Water Meters.

**4.2.2 Fines**

The City Manager stated that the Municipality was collecting enough fines and that there was a significant increase from the previous financial years in that regard. This followed after the Committee raised a concern in that regard and accordingly stressed that fines were an important source of revenue and hence it was of paramount importance to ensure thorough collection thereof.

**NOTED**

**4.2.3 Grants**

Unspent Conditional Grants was of concern. However, it was explained that grant funding was spent appropriately in the 2016/17 financial year and the remaining balances were rolled over.

Responding to a query on whether or not Council had improved on its spend in the year under review as compared to the previous year, the City Manager pointed out that this detail could be found by comparing the figures in the 2015/16 Financial Statements with 2016/17.

The Committee was of the view that the City Manager should arrange a Workshop for all Councillors with a view to gaining better understanding of the process of Conditional Grants.

**RESOLVED:**

- (a) That the NMBM ensures full spending of Conditional Grants for the realisation of effective service delivery, and to prevent having to submit requests to National Treasury for roll-overs.
- (b) That the City Manager arrange a Workshop for all Councillors with a view to gaining better understanding of the process of Conditional Grants.
- (c) That the City Manager review the figures in terms of % spend of the Conditional Grants in the 2015/16 vs 2016/17 Financial Statements and report back thereon to the next ordinary meeting of MPAC.

**4.2.4 Repairs and Maintenance**

The Committee was of the view that this item should form part of MPAC's quarterly reports to ensure effective monitoring thereof.

**RESOLVED:**

- (a) That budget provision for Repairs and Maintenance be spent in order to address the matters relating to this item.
- (b) That Progress Reports in respect of this item form part of MPAC's quarterly reports.

**4.3 Chapter 6 – Audit Findings (p. 526 – 535)**

The Committee was of the view that updated reports in respect of the 3 qualifications by the Auditor General should form part of MPAC's quarterly reports for strict monitoring purposes to ensure that same were addressed in an effective manner.

The following matters were raised accordingly.

**4.3.1 Irregular Expenditure**

It was indicated that the matters relating to this item should be dealt with which included Limitation of Scope, Open ended Tenders and Deviations.

The City Manager indicated that the IPTS buses would be operational by 30 June 2018, following a concern in that regard.

**NOTED**

**4.3.2 Asset Register**

It was indicated that a progress report in terms of dealing with the Asset Register should be submitted to the next MPAC's ordinary meeting.

**RESOLVED:**

That the Asset Register be dealt with precisely and that a progress report be submitted to the next ordinary meeting of MPAC.

**4.3.2 Retentions**

The Acting Chief Financial Officer confirmed that the Legacy system was capable of dealing with Retentions, following a concern on whether the aforementioned system was adequate.

Consequently, the Committee stated that the Legacy system be adopted and be put in place to deal with Retentions.

**RESOLVED:**

That the Legacy system be adopted and be put in place in order to deal with Creditors' Retentions.

#### **4.3.3 Councillors, Committees Allocated and Council Attendance (Appendix A – p. 537)**

Serious concerns were raised in respect of Councillors with poor attendance especially those who had been absent from 3 consecutive meetings. It was indicated that the Rules of Order contained the procedure in terms of dealing with absenteeism by Councillors from meetings and that those procedures should be enforced strictly.

The Committee requested that a report in respect of this time be submitted at its next ordinary meeting reflecting those councillors who had been absent from 3 consecutive meetings and whether the procedure in terms of dealing with same as provided for in the Council Rules of Order had been followed.

The % quoted in this document were of concern as it was indicated that Councillor Lungisa had a 0% attendance (p. 540) and Councillor Maqolo 110% for attendance/non-attendance (p. 538).

#### **RESOLVED:**

That a report reflecting details of those councillors who had been absent from 3 consecutive meetings and the procedure followed in terms of dealing with same as provided for in the Council Rules of Order, be submitted at MPAC's next ordinary meeting by the Office of the Speaker.

#### **4.3.4 Ward Reporting**

It was suggested that a more detailed report should be provided in respect of this item.

#### **NOTED**

#### **4.3.5 Material Losses and Impairments**

It was indicated that the statement under paragraph 14 on page 531 of the Annual Report was not the true reflection of the activities that were taking place on the ground. The issue of the hiring of plumbers (internally and externally) was raised and numbers queried.

#### **NOTED AND RESOLVED:**

That the Executive Director : Infrastructure and Engineering include in the report to be submitted to the Infrastructure, Engineering and Energy Committee per MPAC's Min. Nos. 3.1.2 and 3.4/2018 dated 1 March 2018 details of the number of plumbers currently employed by the Directorate both internally and externally.

The meeting terminated at 10:00.

**CHAIRPERSON**

## **MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

**(Meeting held on 15 March 2018)**

**PRESENT:** Councillor Y N Yako (Chairperson)

Councillor R N Captain  
Councillor M Feni  
Councillor C Garai  
Councillor M K Mogatosi  
Councillor L Mrara  
Councillor H Müller  
Councillor L Nombola  
Councillor T S Noqoli  
Councillor M G Steyn  
Councillor T F Tshangela  
Councillor A Tyokwana  
Councillor H C van Staaden

**ALSO PRESENT:** City Manager  
Chief Operating Officer  
Acting Chief Financial Officer (Mr J Ngcelwane)  
Executive Director : Sport, Recreation, Arts and Culture  
Executive Director: Economic Development, Tourism and Agriculture  
Executive Director: Human Settlements  
Executive Director: Safety and Security  
Acting Executive Director: Electricity and Energy (Mr B Lamour)  
Senior Director: Water and Sanitation (I & E) (Mr B J Martin)  
Director : Office of the City Manager (Ms N Skweyiya)  
Acting Deputy Director: M&E (Office of the COO) (Mr W Obeng)  
Assistant Director : Internal Audit and Risk Assurance (Mr S Gwija)  
Monitoring and Evaluation Practitioner : Office of the COO  
(Ms M Mrubata)  
MPAC Coordinator : Office of the Speaker (Mr A de Wet)  
Office of the Auditor General (Mr S Noble)  
Administrative Officer: Corporate Services (Ms M Diba)  
Chief Committee Officer (Ms A Craighead)  
Committee Officer (Mr O Bingwa)  
Committee Officer (Ms V Heera)  
Intern: Office of the Executive Mayor (Mr V Ngqondela)

### **ABSENT WITHOUT LEAVE:**

Councillor B N Mafaya

The Committee at this stage indicated that the Agenda for this meeting had just been received, citing that there was not enough time to peruse same. Consequently, it was agreed upon to postpone this meeting and in consideration of the Committee's deadlines to submit its Oversight Report to Council, it was stated that a formal meeting of MPAC should be scheduled for Monday, 19 March 2018 in order to deal with the Draft Oversight Report which was earmarked for this meeting.

In light of the above, it was suggested that upon scrutinising the Draft Oversight Report in the Agenda dated 15 March 2018, the Committee should submit in writing its inputs with recommendation to the office of the Chairperson with a view to accelerating the process of submitting its Oversight Report to Council within the set time-frames.

**RESOLVED:**

That consideration of this agenda be deferred to the next meeting of MPAC scheduled for 19 March 2018 on the understanding that the document would not be re-printed, but should be brought to that meeting for reference purposes.

**APPLICATIONS FOR LEAVE OF ABSENCE IN TERMS OF PARAGRAPH 3 OF THE CODE OF CONDUCT / APOLOGIES**

This item was not considered.

**DISCLOSURE OF INTERESTS BY COUNCILLORS IN TERMS OF PARAGRAPH 5 OF THE CODE OF CONDUCT (SCHEDULE 1 OF THE SYSTEMS ACT NO. 32 OF 2000)**

This item was not considered.

**DISCLOSURE OF INTERESTS BY OFFICIALS**

This item was not considered.

**CONFIRMATION OF MINUTES**

This item was not considered.

**REPORT BY EXECUTIVE DIRECTOR : CORPORATE SERVICES**

**5. ANSWER TO QUESTION - NON REVENUE WATER TURNAROUND STRATEGY (5/14/R) (18/1/1/21/5) (Item 1 – Agenda p. 10)**

**RESOLVED:**

That this item be DEFERRED to the next meeting of MPAC on 19 March 2018.

**6. 2016/17 ANNUAL REPORT OF NELSON MANDELA BAY METROPOLITAN  
MUNICIPALITY (10/1/1/1) (Item 2 – Agenda p. 11)**

**RESOLVED:**

That this item be DEFERRED to the next meeting of MPAC on 19 March 2018.

The meeting terminated at 09:10.

**CHAIRPERSON**

## **MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

**(Meeting held on 19 March 2018)**

**PRESENT:** Councillor Y N Yako (Chairperson)

Councillor R N Captain  
Councillor C Gara  
Councillor M K Mogatosi  
Councillor L Mrara  
Councillor H Müller  
Councillor L Nombola  
Councillor T S Noqoli  
Councillor M G Steyn  
Councillor T F Tshangela (09:25)  
Councillor A Tyokwana  
Councillor H C van Staaden

**ALSO PRESENT:** City Manager  
Chief Operating Officer  
Acting Chief Financial Officer (Mr J Ngcelwane)  
Executive Director : Corporate Services  
Executive Director: Human Settlements  
Executive Director: Economic Development, Tourism and Agriculture  
Executive Director: Infrastructure and Engineering  
Executive Director: Safety and Security  
Acting Executive Director : Public Health (Mr T Mokonyane)  
Senior Director: Water and Sanitation (I&E) (Mr B Martin)  
Director : Office of the City Manager (Ms N Skweyiya)  
Acting Director: Human Settlements (Mr R April)  
MPAC Coordinator : Office of the Speaker (Mr A de Wet)  
Office of the Auditor General (Mr S Noble)  
Chief Curator: Sport, Recreation, Arts and Culture (Mr U Baduza)  
Chief Committee Officer (Ms A Craighead)  
Committee Officer (Mr O Bingwa)  
Committee Officer (Ms V Heera)

### **APPLICATIONS FOR LEAVE OF ABSENCE IN TERMS OF PARAGRAPH 3 OF THE CODE OF CONDUCT / APOLOGIES**

No applications for leave of absence were received.

Apologies were received from:

Councillors B N Mafaya and M Feni who were running late and who subsequently did not arrive at the meeting.

Executive Director: Sport, Recreation, Arts and Culture who was represented by Mr U Baduza (Chief Curator: Sport, Recreation, Arts and Culture).

**DISCLOSURE OF INTERESTS BY COUNCILLORS IN TERMS OF PARAGRAPH 5 OF THE  
CODE OF CONDUCT (SCHEDULE 1 OF THE SYSTEMS ACT NO. 32 OF 2000)**

There were no disclosures.

**DISCLOSURE OF INTERESTS BY OFFICIALS**

There were no disclosures.

**CONFIRMATION OF MINUTES**

**RESOLVED:**

That the Minutes of Proceedings of the Municipal Public Accounts Committee at its meetings held on 8 & 15 March 2018, as circulated, be hereby confirmed.

**REPORT BY EXECUTIVE DIRECTOR : CORPORATE SERVICES**

**5. ANSWER TO QUESTION - NON REVENUE WATER TURNAROUND STRATEGY  
(3/2/1/2) (5/1/3/1/8/1) (Item 1 – Agenda p. 10)**

A replacement in respect of this item which is attached hereto as **ANNEXURE “A”** was tabled at the meeting.

No comments or concerns were raised by the Committee regarding this matter.

**NOTED**

**6. 2016/17 ANNUAL REPORT OF NELSON MANDELA BAY METROPOLITAN  
MUNICIPALITY (10/1/1/1) (Item 2 – Agenda p. 11)**

The Committee made amendments to various items in respect of the Draft Oversight report. The pages reflecting these changes are attached hereto as **Annexure “B”**.

A concern was raised regarding incorrect information reflected in the Councillors' attendance list (Appendix A on page 526 of the Annual report document). However, it was reported that an amended report in that regard would be attached to the Oversight Report that would be submitted to Council on 29 March 2018.



Unresolved matters emanating from 2015/16 and 2016/17 financial years were also of concern. It was stated that some of the items that appeared in the list of outstanding matters had already been dealt with and needed to be removed from same. Consequently, the Executive Directors in consultation with the office of the Chief Operating Officer were requested to make the necessary changes to the document to enable an amended list in that regard to be attached to the Oversight Report that would be submitted to Council on 29 March 2018.

**NOTED**

The meeting terminated at 10:00.

**CHAIRPERSON**

# ANNEXURES

## **. NON REVENUE WATER TURNAROUND STRATEGY**

### **PURPOSE**

The purpose of this report is to respond to resolution of the MPAC of 8 March 2018 on water leaks.

### **BACKGROUND**

MPAC on 8 March 2018 resolved under item 4.1 as follows:

- "Page 22 of the agenda under Leak Repairs where it was stated that there were procurement issues, the Committee therefore, sought to establish what the procurement issues were to which the City Manager was referring.
- The status in respect the volume of water wasted from leaks (as reflected on page 23 of the agenda under paragraph 1)"

### **PROCUREMENT OF LEAK REPAIR CONTRACTOR**

The tender was advertised on 2 August 2017 and closed on 7 September 2017. The Tender validity expired on 5 January 2018. The evaluation process took longer than anticipated resulting in a request to extend the validity on 7 December 2017. This however was not done in time resulting in the tenders being cancelled and same will now be advertised by April 2018.

### **VOLUME OF WATER WASTED THROUGH LEAKS**

The water that is wasted through leaks is monitored through the International Water Association Score Card as adopted by South Africa's Department of Water & Sanitation (DWS). This scorecard is supplied to DWS on a monthly basis. The table below summarized the performance of the NMBM for this financial year to date. It must be noted that these numbers remain estimates until the audited water consumption is carried out by the Budget & Treasury Directorate at the end of the financial year.

System Input Volume	Authorised Consumption	Billed Authorised Consumption	Billed Metered Consumption	Revenue Water	
			Billed Unmetered Consumption		
		Unbilled Authorised Consumption	Unbilled Metered Consumption		Non Revenue Water (NRW)
			Unbilled Unmetered Consumption		
	Water Losses (UAW)	Apparent Losses	Unauthorised Consumption		
			Customer Meter Inaccuracies		
		Real Losses	Leakage on Transmission & Distribution Mains		
			Leakage on Services Connections up to point of Customer Meter		

Financial Year	Annual
Volume Treated (kℓ)	59,941,046
Revenue Volume (kℓ)	33,415,974
Revenue Water (%)	55.7%
NRW volume (kℓ)	26,525,072
NRW (%)	44.3%
Real Losses (Kℓ)	20,949,598
Real Losses (%)	35.0%
Water Losses (Kℓ)	25,240,480
Water Losses (%)	42%

NRW is water that has been produced and is "lost" before it reaches the customer. NRW incorporates the following:

- Unbilled Authorised Consumption
  - Metered (for example through metering or billing system errors)
  - Unmetered (for example through unmetered standpipes)
- Apparent / Commercial losses (for example through theft or metering inaccuracies)
- Real / Physical losses (through leaks)

#### Real Losses:

Volume of water lost through all types of leaks, breaks and overflows on mains, service reservoirs and service connections, up to the point of users metering. In most cases, the real losses represent the unknown component in the overall water balance and the purpose of most water balance models is therefore to estimate the magnitude of the real losses so that the WSA can gauge whether or not it has a serious leakage problem. The reason for this is for example to estimate the volume of water lost through a burst which has many variables in pipe size, material, pressure, etc.

This loss for the NMBM from July 2017 to January 2018 is in the order of 20 949 Ml. This is very high and one of the contributing factors is the restating of the Kouga water consumption as was set out on page 21 of the 8 March 2018 agenda. Further the volume of water losses on the bulk water supply network is 7.67% representing 4 597 Ml of the total losses.

The 14 Workstream Plan as captured in the 10 Year Business Plan that served at Council on 27 February 2018 sets out the plans to address the water losses.

For Information.

7.2 AREA 1: AUDITOR-GENERAL'S REPORT AND ANNUAL FINANCIAL STATEMENTS

AREA 1	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL
AUDITOR- GENERAL'S REPORT FOR 2016/17	1	<p>Items on pages 805 - 816 of the Annual Report (Audit Report)</p> <p><b>Audit qualification</b></p> <p>The Committee expressed its concern regarding the following matters:</p> <p>(1) Inadequate attention to and consideration by the administration of the Auditor-General's letters.</p> <p>(2) Lack of strict monitoring and control in terms of the areas identified in the Auditor-General's Report.</p> <p>(3) Unacceptable poor leadership and negligence, resulting in recurring audit findings.</p> <p>(4) Lack of effective internal control systems in respect of the following areas:</p> <ul style="list-style-type: none"> <li>• Property, plant and equipment</li> </ul>	<p>(a) That the Audit Action Plan includes measures to address the following:</p> <p>(1) <u>Inadequate attention to and consideration by the administration of the Auditor-General's letters.</u></p> <p>(2) <u>Lack of strict monitoring and control in terms of the areas identified in the Auditor-General's Report.</u></p> <p>(3) <u>Unacceptable poor leadership and negligence, resulting in recurring audit findings.</u></p> <p>(4) <u>Lack of effective internal control systems.</u></p>	Acting Chief Financial Officer

AREA 1	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL
AUDITOR- GENERAL'S REPORT FOR 2016/17 (Continued)		<ul style="list-style-type: none"> <li>• Creditors-exchange transactions</li> <li>• Irregular expenditure</li> <li>• Unauthorised expenditure</li> <li>• Expenditure management</li> <li>• Consequence management</li> <li>• Procurement and Contract management</li> <li>• Financial control systems and management</li> <li>• Asset management</li> </ul>	<p>(b) That the Audit Action Plan be submitted to the next ordinary MPAC meeting (10 April 2018).</p> <p>(c) <u>That the appointment of the Chief Financial Officer be fast-tracked.</u></p> <p>(d) <u>That the City Manager submit quarterly progress reports on the status of leadership in the Municipality to MPAC.</u></p>	<p>Acting Chief Financial Officer</p> <p>City Manager</p> <p>City Manager</p>
	2	<p><b>Property, Plant and Equipment (PPE)</b></p> <p>The Committee expressed its concern in relation to Property, Plant and Equipment (PPE):</p> <p>(1) No service provider(s) to assess the useful lives of assets – assets have not been assessed for the past two financial years (i.e. 2015/16 and 2016/17).</p> <p>(2) The need to assess the useful lives of assets in line with the GRAP Standards.</p>	<p>(a) That the municipal directorates develop action plans for assessing the useful lives of assets and submit same to the next ordinary meeting of MPAC.</p> <p>(b) That the Asset Register be dealt with precisely and that a progress report be submitted to the next ordinary meeting of MPAC.</p>	<p>Executive Director: Corporate Services</p> <p>Executive Director: Corporate Services</p>

AREA 1	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL
AUDITOR- GENERAL'S REPORT FOR 2016/17 (Continued)		Limitation of scope: Unauthorised expenditure (Continued)	<p>plans to terminate possible ones.</p> <p>(c) <u>That a report on Unauthorised, Irregular and Fruitless and Wasteful Expenditure Register be submitted to the next meeting of MPAC Sub-committee to be dealt with.</u></p> <p>(d) <u>That consequence management be implemented based on the findings by the MPAC Sub-committee on the report in (c) above.</u></p>	<p>Acting Chief Financial Officer</p> <p>City Manager</p>



AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
PERFORMANCE SCORECARD (P. 323 – 340 OF THE ANNUAL REPORT) (Continued)		KPA 1: Effective City Governance (Continued)	<p>(d) That a report on <u>Unauthorised, Irregular and Fruitless and Wasteful Expenditure Register</u> be submitted to the next meeting of MPAC Sub-committee to be dealt with.</p> <p>(e) That consequence management be implemented based on the findings by the MPAC Sub-committee on the report in (d) above.</p>	Acting Chief Financial Officer  City Manager
PERFORMANCE SCORECARD (P. 323 – 340 OF THE ANNUAL REPORT)	7	<p>KPA 2: Integrated Service Delivery to a well-structured city</p> <p>KPI No. 2.1.5: % reduction in year-to-year water losses in line with the International Water Association (IWA) Audit Standards (variance between the total system input and authorised consumption)</p> <p>The Committee expressed serious concerns regarding water losses, as the large amount spent on repairing water leaks has little positive impact on water losses.</p>	<p>(a) That a report be submitted to MPAC on a <u>quarterly basis</u>, which indicates the following:</p> <ul style="list-style-type: none"> <li>• the carry over total of water leaks for the period July 2017 to February 2018, and thereafter;</li> <li>• the number of new leaks reported on a monthly basis,</li> <li>• the number of leaks fixed per month,</li> <li>• the number of plumbers currently employed, both internally and externally.</li> </ul>	Executive Director: Infrastructure and Engineering

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
<b>PERFORMANCE SCORECARD (P. 323 – 340 OF THE ANNUAL REPORT)</b>		<b>KPA 2: Integrated Service Delivery to a well-structured city (Continued)</b>	<p>(f) <u>That the Budget and Treasury Directorate investigate the possibility of sourcing additional budget to supplement the water leaks budget.</u></p> <p>(g) <u>That percentage (%) reduction in year-to-year water losses be at least in line with the International Water Association (IWA) Audit Standards.</u></p>	<p>Executive Director: Infrastructure and Engineering</p> <p>Executive Director: Infrastructure and Engineering</p>
	8	<b>KPA 2: Integrated Service Delivery to a well-structured city</b>  <b>KPI No. 2.1.6: Number of state subsidised housing units provided with access to water and sanitation</b>  The committee expressed concern around non-performing contractors and inadequate monitoring of project implementation.	<p>(a) That the City Manager submit a report to the next ordinary meeting of MPAC reflecting the target regarding houses provided with access to water and sanitation for the 2017/18 financial year.</p> <p>(b) That the Executive Director: Infrastructure and Engineering investigate a system of monitoring and evaluating contractors with a view to black-listing under/non-performing contractors and submit a report in the above regard to each ordinary meeting of MPAC.</p>	<p>City Manager</p> <p>Executive Director: Infrastructure and Engineering</p>

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL
<p>PERFORMANCE SCORECARD (P. 323 – 340 OF THE ANNUAL REPORT)</p>	<p>11</p>	<p>KPA 2: Integrated Service Delivery to a well-structured city)</p> <p>KPI No. 2.5.4: Number of Local Spatial Development Frameworks (LSDF) approved by Council</p> <p>(a) The Committee expressed concern regarding the status of the three Local Spatial Development Frameworks that should have been approved by Council. It was subsequently noted that these LSDFs had been submitted to Council.</p> <p>(b) The Committee expressed its discomfort regarding the name "Ibhayi" as representative of certain township areas and accordingly requested the Executive Director: Sport, Recreation, Arts and Culture to change same.</p>	<p>(a) That the Executive Director: Sport, Recreation, Arts and Culture facilitate the changing of the name 'Ibhayi' on the relevant Spatial Development Framework (LSDF) document and <u>submit a process plan to the next ordinary meeting of MPAC.</u></p> <p>(b) That the City Manager submit a progress report to MPAC's next ordinary meeting on the issue of the approval of the LSDFs by Council.</p>	<p>Executive Director: Sport, Recreation, Arts and Culture</p> <p>City Manager</p>

AREA 3	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL
	the approximately 28 000 households that were not metered.	<p>necessary budget be provided for this process.</p> <p>(c) That the City Manager submit a written report on the status of the audit of water meters to the next ordinary meeting of MPAC.</p>	<p>Infrastructure and Engineering</p> <p>City Manager</p>
CHAPTER 6 – AUDIT FINDINGS (PAGES 526 – 535)	<p>27 Chapter 6 – Audit Findings (pp. 526 – 535)</p> <p>Retentions</p> <p>The Committee expressed concern whether the Municipality's Legacy system was capable of dealing with the issue of Retentions.</p>	<p>(a) That the Legacy system be <u>upgraded</u> in order to deal with Creditors' Retentions.</p>	Acting Chief Financial Officer
APPENDIX A	<p>28 Councillors, Committees Allocated and Council Attendance (Appendix A – p. 537)</p> <p>Serious concerns were raised in respect of the poor attendance at meetings demonstrated by a number of Councillors, with some being absent for 3 consecutive meetings.</p>	<p>(a) That a report reflecting details of those Councillors who had been absent from 3 consecutive meetings and the procedure followed in terms of dealing with same, as provided for in Council's Rules of Order, be submitted to MPAC's next ordinary meeting by the Office of the Speaker.</p>	<p>Executive Director: Corporate Services / Office of the Speaker.</p>

## **APPENDIX "B":**

**Advertisements/Invitations to the public to  
comment/attend meetings where the 2016/17 Annual  
Report will be discussed**



# kykNET-Rapport-boekpryse kry 'n groot geldinspuiting

Skrifvers en verteenwoordigers kry weer hul ore spits, want die kykNET-Rapport-boekpryse het pas 'n slemmerige insluiting gekry.

Vir die eerste keer in die geskiedenis van die Afrikaanse boekpryse, is die kykNET-Rapport-boekpryse vir die beste Afrikaanse fiksie

en non-fiksie te sê met R50 000 tot R250 000 verhoeg.

Naas die Nobelprys en die Bookerprys, is die Afrikaanse boekpryse een van die belangrikste literêre pryse in die wêreld.

Afrikaanse fiksie en non-fiksie wat die plaaslike letterkundige en kulturele erfenis versterk en bevorder, kry 'n groot geldinspuiting.

aan enkele skrywers "red" nie 'n taal en 'n groot spreekers te letterkundige nie. "Of dit met die Afrikaanse letterkundige goed gaan, is daarom nie af te lei uit die geldbedrag wat gekoppel

word aan die pryse nie." Inskrywers vir die prys sal binnekort aangevra word om die nuutere word in September in Kaapstad aangekondig.

## AFRIKA SE RYKSTE RESIESDAG

# Skoonhede sprankel by glansryke Sun Met

Madina Theron

Minstens een vroue wat al die Meisies van Suid-Afrika-kroon gedra het het die suid-oewerwind en die glansryke prys ontvang.

Die Sun Met, wat beskou word as Afrika se rykste resiesdag, het Saterdag op 'n wankelende voet by die Kewill-wedstyd in Kaapstad begin.

Sowat 20 lede van die Vereniging van Staatsampies het opgetoeg vir 'n betoging in solidariteit met die prys wat geld verloor het weens die skandale.

MARIE Joubert, wat in Desember, as uitverreemde hoof van Steinhoff bekend is, is 'n bekende in perseleerders maar nie een van sy oerde te toegelate om deel te neem nie.

Die voormalige Sun Met-voorsitter, wat die prys in 2011 gewen het, het ook deelgeneem aan die betoging.

Die Sun Met, wat beskou word as Afrika se rykste resiesdag, het Saterdag op 'n wankelende voet by die Kewill-wedstyd in Kaapstad begin.



Madina Theron, Meisies van Suid-Afrika in 2011, Demi Leigh Nel-Peters, Meisies van Suid-Afrika in 2015, en Meisies van Suid-Afrika in 2016, Meisies van Suid-Afrika in 2017.

York te woon. Dit was altyd baie droom om op 'n jaar lang kursus te gaan, en sy het haar knieë gekniet by al vier kante heen, maar sy het Suid-Afrika in bohaas.

As 'n mens so baie reis, betree jy nie hoe 'n wonderlike land Suid-Afrika is en hoe warm ons mense is.

Die Kewill-wedstyd is die grootste sportfees in Kaapstad, en dit is 'n groot gebeurtenis vir die stad.

Die prys is 'n groot geldinspuiting vir die plaaslike letterkundige en kulturele erfenis.

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Die prys is 'n groot geldinspuiting vir die plaaslike letterkundige en kulturele erfenis.

# Wayde laat weer na sy knie kyk, sê Bolt

Madina Theron

Wayde van Niekerk het sy knieë nie so lank agter gesit as hy dink.

Hy het sy knieë nie so lank agter gesit as hy dink.

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**KENNISGEWING**

2016/17-JAARVERSLAG EN 2017/18-MIDDELTERTYFVERSLAG TERINBELEGING

Die 2016/17-jaarsverslag en die 2017/18-middeltermynverslag van die Middeltermynbelegingsmaatskappij is op 21 Januarie 2018 op die Pensionsentrum se webwerf gepubliseer.

DEKLAN	TYP	LEWENS
Deklaan, 20 Januarie 2018	0800	Randstad, Strand
Deklaan, 21 Februarie 2018	0800	Randstad, Strand
Deklaan, 22 Februarie 2018	0800	Randstad, Strand
Deklaan, 23 Februarie 2018	0800	Randstad, Strand
Deklaan, 24 Februarie 2018	0800	Randstad, Strand
Deklaan, 25 Februarie 2018	0800	Randstad, Strand
Deklaan, 26 Februarie 2018	0800	Randstad, Strand
Deklaan, 27 Februarie 2018	0800	Randstad, Strand
Deklaan, 28 Februarie 2018	0800	Randstad, Strand
Deklaan, 29 Februarie 2018	0800	Randstad, Strand
Deklaan, 30 Februarie 2018	0800	Randstad, Strand

Die verslag is beskikbaar op die webwerf van die Middeltermynbelegingsmaatskappij.

**JOU VYFDE JAAR SE PREMIES TERUG IN KONTANT**

AVBOB

SMS 'KONTANT8' na 41780 en ons bel jou

100 Rands



**2016/17 ANNUAL REPORT AND  
2017/18 MID-TERM REPORT  
OPEN FOR INSPECTION**

The 2016/17 Draft Annual Report and the 2017/18 Mid-Term Report of the Nelson Mandela Bay Metropolitan Municipality were tabled in Council on 25 January 2018. The 2016/17 Draft Annual Report was referred to the Municipal Public Accounts Committee for review. The Municipality hereby invites comments from the public on these two reports.

Copies of these reports lie open for inspection at all municipal libraries and customer care centres, as well as on the municipal website, [www.nelsonmandelabay.gov.za](http://www.nelsonmandelabay.gov.za)

Any comments on the reports must be submitted to the Office of the City Manager (Attention: Chief Operating Officer) at PO Box 116, Port Elizabeth 6000, or fax: 041 505 4524, or e-mail: [coadmin@mandlametro.gov.za](mailto:coadmin@mandlametro.gov.za) by not later than **WEDNESDAY, 28 FEBRUARY 2018**

The schedule of meetings of the Municipal Public Accounts Committee where the 2016/17 Annual Report will be discussed is as follows:

DATE	TIME	VENUE
Tuesday, 30 January 2018	09:00	Council Chambers, City Hall
Tuesday, 13 February 2018	09:00	Council Chambers, City Hall
Tuesday, 20 February 2018	09:00	Conference Centre, Military Road
Thursday, 1 March 2018	09:00	Council Chambers, City Hall
Thursday, 8 March 2018	09:00	Council Chambers, City Hall

It should also be noted that members of the public are welcome to attend any of the scheduled oversight meetings of the Municipal Public Accounts Committee, during which the 2016/17 Annual Report will be discussed, in the capacity of observers.

Ref: 19 – 29 January 2018

*Under the hand of the City Manager, Mr Johann Mollé*





**APPENDIX "C"**Refer paragraph (b)  
of recommendation 7.1**APPENDIX A- COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE**

<b>Councillors, Committees Allocated and Council Attendance</b>					
<b>Council Members</b>	<b>Full Time / Part Time</b>	<b>Committees Allocated</b>	<b>*Ward and/ or Party Represented</b>	<b>Percentage Council Meetings Attendance</b>	<b>Percentage Apologies for non-attendance</b>
				<b>%</b>	<b>%</b>
R A P. Trollip	FT	Executive Mayor	DA	100%	
M E Bobani	FT	Deputy Executive Mayor	UDM	93%	
J Lawack	FT	Speaker	DA	100%	
W Senekai	FT	Chief Whip	DA	100%	
<b>MAYORAL COMMITTEE</b> (started in August 2017)					
R A P Trollip	FT	Executive Mayor	DA	100%	
M E Bobani	FT	Deputy Executive Mayor	UDM	100%	
A G Whitfield	FT	Member of Mayoral Committee	DA	88%	100% (LOA)
R C Kayser	FT	Member of Mayoral Committee	DA	94%	100% (LOA)
J S Best	FT	Member of Mayoral Committee	DA	100%	
S. Sijadu	FT	Member of Mayoral Committee	COPE	94%	100% (LOA)
D N Biddulph	FT	Member of Mayoral Committee	DA	94%	100% (LOA)
B M Bhanga	FT	Member of Mayoral Committee	DA	94%	100% (LOA)
A T Lovemore	FT	Member of Mayoral Committee	DA	100%	
R. Odendaal	FT	Member of Mayoral Committee	DA	100%	
S L Sauls	FT	Member of Mayoral Committee	DA	94%	100% (LOA)
<b>BUDGET AND TREASURY COMMITTEE</b>					
R Odendaal (Chairperson)	FT	Budget and Treasury Committee Member	DA	100%	
SD Davids	PT	Budget and Treasury Committee Member	DA	100%	
L A Gallant	PT	Budget and Treasury Committee Member (Redeployed to this Committee on 30 March 2017)	DA	80%	Reason for being absent from 1 Committee meeting was due to miscommunication regarding their redeployment
D A Hayselden	PT	Budget and Treasury Committee Member	DA	100%	
A G Jordan	PT	Budget and Treasury Committee Member	DA	100%	
L Kruger	PT	Budget and Treasury Committee Member	DA	100%	



Councilors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
M L Makunga	PT	Budget and Treasury Committee Member	ANC	100%	
N A Mthi	PT	Budget and Treasury Committee Member	ANC	100%	
M J Mtsila	PT	Budget and Treasury Committee Member (Redeployed to this Committee on 30 March 2017)	UFEC	100%	
P S Ndoni	PT	Budget and Treasury Committee Member	ANC	70%	67% (LOA)
B Nodada	PT	Budget and Treasury Committee Member	DA	100%	
R B Riordan	PT	Budget and Treasury Committee Member	ANC	90%	100% (LOA)
S S Tyukana	PT	Budget and Treasury Committee Member (Served on this Committee until the redeployment of Councilors on 30 March 2017) (Redeployed back to the Budget and Treasury Committee on 14 June 2017)	ANC	100%	
F A van de Linde	PT	Budget and Treasury Committee Member	DA	100%	
Y N Yako	PT	Budget and Treasury Committee Member	EFF	90%	100% (LOA)
A Tyokwana	PT	Budget and Treasury Committee Member (Appointed to this Committee on 23 February 2017) (Redeployed the Municipal Public Accounts Committee on 30 March 2017)	ANC	80%	
ECONOMIC DEVELOPMENT, TOURISM AND AGRICULTURE COMMITTEE					
A G Whitfield (Chairperson)	FT	Economic Development, Tourism and Agriculture Committee Member	DA	100%	
S Beynon	PT	Economic Development, Tourism and Agriculture Committee Member	DA	100%	
G Faldtman	PT	Economic Development, Tourism and Agriculture Committee Member	DA	75%	100% (LOA)
R Gouws	PT	Economic Development, Tourism and Agriculture Committee Member	DA	100%	

Councilors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
B N Mafaya	PT	Economic Development, Tourism and Agriculture Committee Member	ANC	75%	100% (LOA)
A M Maqolo	PT	Economic Development, Tourism and Agriculture Committee Member	ANC	75%	100% (LOA)
P A Mfama	PT	Economic Development, Tourism and Agriculture Committee Member	ANC	100%	-
G Miggles	PT	Economic Development, Tourism and Agriculture Committee Member	DA	100%	-
L V Mlungwana	PT	Economic Development, Tourism and Agriculture Committee Member	DA	100%	-
L D Mnyimba	PT	Economic Development, Tourism and Agriculture Committee Member	ANC	75%	100% (LOA)
M J Mtsila	PT	Economic Development, Tourism and Agriculture (Redeployed to this Committee on 30 March 2017)	UFEC	100%	-
B Nodada	PT	Economic Development, Tourism and Agriculture Committee Member (Redeployed to this Committee on 30 March 2017)	DA	100%	-
Y M Pali	PT	Economic Development, Tourism and Agriculture Committee Member	ANC	100%	-
Y N Yako	PT	Economic Development, Tourism and Agriculture Committee Member (Redeployed to this Committee on 30 March 2017)	EFF	100%	-
M Zinto	PT	Economic Development, Tourism and Agriculture Committee Member (Redeployed to this Committee on 30 March 2017)	DA	100%	-
L X Nombexeza	PT	Economic Development, Tourism and Agriculture Committee Member (Redeployed to the Transport Committee on 30 March 2017)	ANC	33% (Note: Attended 1 of 3 meetings for the period of deployment to this Committee)	-

PUBLIC HEALTH					
R A P Trollip (Chairperson)	FT	Public Health Committee Member (As from June 2017 served as Chairperson of this Committee)	DA	100%	-
M E Bobani	FT	(Public Health Committee Member) (Served in the position of MMC: Public Health until April 2017)	UDM	100%	-
M L Boti	PT	Public Health Committee Member	ANC	75%	-
L M Dano	PT	Public Health Committee Member (Redeployed to the Safety and Security Committee on 30 March 2017) (Redeployed back to the Public Health Committee on 14 June 2017)	ANC	100%	-
S Fillis	PT	Public Health Committee Member	DA	100%	-
F van N Greyling	PT	Public Health Committee Member	DA	100%	-
A D Isaacs	PT	Public Health Committee Member	DA	75%	Reason for being absent from 1 Committee meeting was due to miscommunication regarding their redeployment
G D Maqula	PT	Public Health Committee Member	ANC	100%	-
R Meyer	PT	Public Health Committee Member	DA	100%	-
T S Mhlongo	PT	Public Health Committee Member	EFF	75%	100% (LOA)
K O Ngumbela	PT	Public Health Committee Member (Redeployed to this Committee on 30 March 2017)	DA	50%	Reason for being absent from 1 Committee meeting was due to miscommunication regarding their redeployment
M M Nkosi	PT	Public Health Committee Member	DA	100%	-
N Q Pink	PT	Public Health Committee Member	ANC	100%	-
N E Sikweyiya	PT	Public Health Committee Member	ANC	88%	-
N N Zuma	P T	Public Health Committee Member (Redeployed to Safety and Security Committee on 30 March 2017)	ANC	100%	-
HUMAN SETTLEMENTS COMMITTEE					
B M Bhanga (Chairperson)	FT	Human Settlements Committee Member	DA	86%	100%
M S Breakfast	PT	Human Settlements Committee Member	DA	100%	-
N M Booii	PT	Human Settlements Committee Member	ANC	100%	-
R Daaminds	PT	Human Settlements Committee Member	ANC	71%	100%

A B Gibbon	PT	Human Settlements Committee Member	DA	100%	-
N R Higgins	PT	Human Settlements Committee Member	DA	100%	-
M S Jodwana	PT	Human Settlements Committee Member	ANC	100%	-
T P Louw	PT	Human Settlements Committee Member	DA	100%	-
B P Mbuqu	PT	Human Settlements Committee Member	ANC	86%	100%
D J S Monks	PT	Human Settlements Committee Member	DA	100%	-
P F Tshanga (neé Toys)	PT	Human Settlements Committee Member (Redeployed to the Human Resources and Corporate Administration Committee on 30 March 2017)	EFF	75%	100% (LOA)
A C G Mfunda	PT	Human Settlements Committee Member (Redeployed to the Safety and Security Committee on 27 October 2016) (On 30 March 2017 redeployed back to the Human Settlements Committee)	ANC	40%	Reason for being absent from 1 Committee meeting was due to miscommunication regarding their redeployment
L X Nombexeza	PT	Human Settlements Committee Member (Redeployed to the Safety and Security Committee on 30 March 2017)	ANC	100%	-
I F Ranyele	PT	Human Settlements Committee Member (Redeployed to this Committee on 27 October 2016) (Redeployed back to Safety and Security Committee on 30 March 2017)	ANC	100%	-
S Soyes	PT	Human Settlements Committee Member	DA	100%	-
Z M Vena	PT	Human Settlements Committee Member	EFF	90%	-
<b>HUMAN RESOURCES AND CORPORATE ADMINISTRATION COMMITTEE</b>					
D N Biddulph (Chairperson)	FT	Human Resources and Corporate Administration Committee Member	DA	100%	-
N P Antoni	PT	Human Resources and Corporate Administration Committee Member	ANC	83%	100%
K Boqwana	PT	Human Resources and Corporate Administration Member (Redeployed to this Committee on 30 March 2017)	ANC	100%	-



D Buti	PT	Human Resources and Corporate Administration Committee Member (Appointed to this Committee on 23 February 2017)	ANC	67%	100%
M Feni	PT	Human Resources and Corporate Administration Committee Member (Redeployed to the Municipal Public Accounts Committee on 30 March 2017) (Redeployed back to the HR and CA Committee on 14 June 2017.)	ANC	80%	100%
L A Gallant	PT	Human Resources and Corporate Administration Committee Member	DA	100%	-
O H Kepe	PT	Human Resources and Corporate Administration Committee Member	DA	83%	
R Meyer	PT	Human Resources and Corporate Administration Committee Member (Redeployed to this Committee on 30 March 2017)	DA	100%	-
N J Mhlobiso	PT	Human Resources and Corporate Administration Committee Member	ANC	100%	-
K O Ngumbela	PT	Human Resources and Corporate Administration Committee Member	DA	100%	-
P F Tshanga (neé Toys)	PT	Human Resources and Corporate Administration Committee Member (Redeployed to this Committee on 30 March 2017)	EFF	0% (Note: Only 1 Committee meeting held since the Councillor was deployed to this Committee)	100% (LOA)
Dlula, Z	PT	Human Resources and Corporate Administration Committee Member (Redeployed to this Committee on 30 March 2017)	ANC	100%	
H Muller	PT	Human Resources and Corporate Administration Committee Member (Redeployed to the Municipal Public Accounts Committee on 30 March 2017)	DA	100%	
S L Sauls	PT	Human Resources and Corporate Administration Committee Member	DA	100%	-
P W Terblanche	PT	Human Resources and Corporate Administration Committee Member	DA	100%	-
Z M Vena	PT	Human Resources and Corporate Administration Committee Member (Redeployed to this Committee on 27 October 2016) (Redeployed back to the Sports, Recreation, Arts and Cultural Services Committee on 30 March 2017)	EFF	50%	100% (LOA)

**INFRASTRUCTURE, ENGINEERING AND ENERGY COMMITTEE**

A T Lovemore (Chairperson)	FT	Infrastructure, Engineering and Energy Committee Member	DA	100%	-
T C S Buyeye	PT	Infrastructure, Engineering and Energy Member (Redeployed to this Committee on 30 March 2017)	AIC	100%	-
T Faltain	PT	Infrastructure, Engineering and Energy Committee Member (Redeployed to this Committee on 30 March 2017)	DA	100%	-
C Garai	PT	Infrastructure, Engineering and Energy Committee Member	DA	100%	-
P Hermaans	PT	Infrastructure, Engineering and Energy Committee Member	DA	100%	-
L V Mlungwana	PT	Infrastructure, Engineering and Energy Committee Member (Redeployed to this Committee on 30 March 2017)	DA	100%	-
L Mrara	PT	Infrastructure, Engineering and Energy Committee Member	EFF	75%	-
B B Nombiba	PT	Infrastructure, Engineering and Energy Committee Member	ANC	100%	-
T S Noqoli	PT	Infrastructure, Engineering and Energy Committee Member	DA	100%	-
S D Nzanzeka	PT	Infrastructure, Engineering and Energy Committee Member	ANC	75%	-
L P Qukubana	PT	Infrastructure, Engineering and Energy Committee Member	ANC	25%	33% (LOA)
L Suka	PT	Infrastructure, Engineering and Energy Committee Member	ANC	0% (Four Committee meetings held during period under review)	25%
A van der Westhuyzen	PT	Infrastructure, Engineering and Energy Committee Member	DA	100%	-
M M Zinto	PT	Infrastructure, Engineering and Energy Committee Member	DA	100%	-
A W Lungisa	PT	Infrastructure, Engineering and Energy Committee Member (Redeployed to the Human Settlements Committee on 14 June 2017)	ANC	25% (Four Committee meetings held during period under review)	33% (LOA)

SPORTS, RECREATION, ARTS AND CULTURAL SERVICES COMMITTEE					
S Sijadu (Chairperson)	FT	Sports, Recreation, Arts and Cultural Services Committee Member	COPE	100%	-
R Adams	PT	Sports, Recreation, Arts and Cultural Services Committee Member	DA	100%	-
S Beynon	PT	Sports, Recreation, Arts and Cultural Services Committee Member (Redeployed to this Committee on 30 March 2017)	DA	100%	-
M V Daniels	PT	Sports, Recreation, Arts and Cultural Services Committee Member (Redeployed to this Committee on 30 March 2017)	PA	100%	-
M J de Andrade	PT	Sports, Recreation, Arts and Cultural Services Committee Member	DA	100%	-
R Gouws	PT	Sports, Recreation, Arts and Cultural Services Committee Member (Redeployed to this Committee on 30 March 2017)	DA	50%	100% (LOA)
T Jacobs	PT	Sports, Recreation, Arts and Cultural Services Committee Member	ANC	100%	-
V M Manyati	PT	Sports, Recreation, Arts and Cultural Services Committee Member (Redeployed to this Committee on 30 March 2017)	DA	100%	-
L Mfana	PT	Sports, Recreation, Arts and Cultural Services Committee Member	ANC	100%	-
S S J Plaatjies	PT	Sports, Recreation, Arts and Cultural Services Committee Member	ANC	100%	-
S Rafani	PT	Sports, Recreation, Arts and Cultural Services Committee Member	DA	100%	-
X Sabani	PT	Sports, Recreation, Arts and Cultural Services Committee Member	ANC	100%	-
M Tshaka	PT	Sports, Recreation, Arts and Cultural Services Committee Member	ANC	83%	-
T F Tshangela	PT	Sports, Recreation, Arts and Cultural Services Committee Member	UDM	67%	50% (LOA)
Z M Vena	PT	Sports, Recreation, Arts and Cultural Services Committee Member (Redeployed to the Human Resources and Corporate Administration Committee on 27 October 2016) (Redeployed back to this Committee on 30 March 2017)	EFF	100%	-
M Mgcokoca	PT	Sports, Recreation, Arts and Cultural Services Committee Member	ANC	80%	100% (LOA)

M J Mtsila	PT	Sports, Recreation, Arts and Cultural Services Committee Member (Appointed to this Committee on 23 February 2017) (Redeployed to the Economic Development, Tourism and Agriculture Committee on 30 March 2017)	UFEC	100%	
<b>SAFETY AND SECURITY SERVICES COMMITTEE</b>					
J S Best (Chairperson)	FT	Safety and Security Services Committee Member	DA	100%	-
T P Adams	PT	Safety and Security Services Committee Member	DA	100%	-
J A Arends	PT	Safety and Security Services Committee Member	DA	100%	-
M V Daniels	PT	Safety and Security Services Committee Member	PA	60%	50% (Reason for being absent from 1 Committee meeting was due to miscommunication regarding their redeployment)
G Faldtman	PT	Safety and Security Services Committee Member (Redeployed to this Committee on 30 March 2017)	DA	100%	-
J Grobbelaar	PT	Safety and Security Services Committee Member	DA	100%	-
E J Harker	PT	Safety and Security Services Committee Member	DA	83%	Reason for being absent from a meeting of the Committee was due to miscommunication regarding their redeployment
A C G Mfunda	PT	Safety and Security Services Committee Member (Redeployed to this Committee on 27 October 2016) (On 30 March 2017 redeployed back to the Human Settlements Committee)	ANC	100%	-
T S Mhlongo	PT	Safety and Security Services Committee Member (Redeployed to this Committee on 30 March 2017)	EFF	50%	Reason for being absent from one of the meetings of the Committee was due to miscommunication regarding their redeployment
M Nkosi	PT	Safety and Security Services Committee Member (Redeployed to this Committee on 30 March 2017)	DA	50%	100% (Reason for being absent from a meeting of the Committee was due to miscommunication regarding their redeployment)



G Rautenbach	PT	Safety and Security Services Committee Member	DA	100%	-
N P Sonti	PT	Safety and Security Services Committee Member	ANC	80%	-
X C Tyali	PT	Safety and Security Services Committee Member	ANC	100%	-
P B Vani	PT	Safety and Security Services Committee Member	ANC	80%	-
G D Maqula	PT	Safety and Security Services Committee Member (No longer a member of this Committee as from 30 March 2017)	ANC	100%	
I F Ranyele	PT	Safety and Security Services Committee Member (Redeployed to the Human Settlements Committee on 27 October 2016) (Redeployed back to this Committee on 30 March 2017)	ANC	33%	Reason for being absent from one of the meetings of the Committee was due to miscommunication regarding their redeployment
L M Dano	PT	Safety and Security Services Committee Member (Redeployed on 30 March 2017 to serve on this Committee)	ANC	50%	Reason for being absent from one meeting of the Committee was due to miscommunication regarding their redeployment
<b>TRANSPORT COMMITTEE</b>					
R C Kayser (Chairperson)	FT	Transport Committee Member	DA	100%	-
M S Breakfast	PT	Transport Committee Member (Redeployed to this Committee on 30 March 2017)	DA	100%	-
T C S Buyeye	PT	Transport Committee Member	AIC	80%	-
T Faltain	PT	Transport Committee Member	DA	100%	-
M A Gidane	PT	Transport Committee Member	ANC	100%	-
V M Manyati	PT	Transport Committee Member	DA	100%	-
M E Mbelekane	PT	Transport Committee Member	ANC	100%	-
G Miggels	PT	Transport Committee Member (Redeployed to this Committee on 30 March 2017)	DA	100%	-
M K Mogatosi	PT	Transport Committee Member	DA	100%	-
N C Mtati	PT	Transport Committee Member	ANC	100%	-
L X Nombexeza	PT	Transport Committee Member (Redeployed to this Committee on 30 March 2017)	ANC	0% (Note: Only two meetings held since 30 March 2017)	Reason for being absent from 1 Committee meeting was due to miscommunication regarding their redeployment
S Rwexwana	PT	Transport Committee Member	DA	100%	-

P F Tshanga (née Toys)	PT	Transport Committee Member (Redeployed to this Committee on 30 March 2017)	EFF	0%  (Note: Only two meetings held since 30 March 2017)	100% (LOA)
H C van Staaden	PT	Transport Committee Member	DA	100%	-
R N Captain	PT	Transport Committee Member (Redeployed to serve as a full-time member of Municipal Public Accounts Committee on 30 March 2017)	ANC	100%	
L Nombola	PT	Transport Committee Member (Redeployed to serve as a full-time member of Municipal Public Accounts Committee on 30 March 2017 only)	ANC	100%	
M G Steyn	PT	Transport Committee Member (Redeployed to serve as a full-time member of Municipal Public Accounts Committee on 30 March 2017 only)	DA	100%	
S S J Plaatjies	PT	Transport Committee Member (Deployed to this Committee between April 2017 and May 2017 until being redeployed on 14 June 2017)	ANC	0%  (Note: Only two meetings held since 30 March 2017)	
<b>MUNICIPAL PUBLIC ACCOUNTS COMMITTEE</b>					
L P Grootboom (Chairperson)	FT	Municipal Public Accounts Committee Member	ACDP	100%	-
R N Captain	PT	Municipal Public Accounts Committee Member	ANC	79%	100% (including LOA)
M V Daniels	PT	Municipal Public Accounts Committee Member	PA	71%	75%
M Feni	PT	Municipal Public Accounts Committee Member	ANC	57%	50% (including LOA)
C Garai	PT	Municipal Public Accounts Committee Member	DA	100%	-
B N Mafaya	PT	Municipal Public Accounts Committee Member	ANC	88%	100%
M K Mogatosi	PT	Municipal Public Accounts Committee Member	DA	93%	-
L Mrara	PT	Municipal Public Accounts Committee Member	EFF	79%	33% (LOA)
H Muller	PT	Municipal Public Accounts Committee Member	DA	100%	-

L Nombola	PT	Municipal Public Accounts Committee Member	ANC	93%	-
T S Noqoli	PT	Municipal Public Accounts Committee Member	DA	93%	100%
M G Steyn	PT	Municipal Public Accounts Committee Member	DA	93%	100%
T F Tshangela	PT	Municipal Public Accounts Committee Member	UDM	50%	-
A Tyokwana	PT	Municipal Public Accounts Committee Member (Deployed to serve on this Committee on 30 March 2017)	ANC	33%	Reason for being absent from 1 Committee meeting was due to miscommunication regarding their redeployment
H C van Staaden	PT	Municipal Public Accounts Committee Member	DA	93%	100% (LOA)
M A Gidane	PT	Municipal Public Accounts Committee Member (No longer a member of this Committee as from 30 March 2017)	ANC	85%	100%
<b>RULES AND ETHICS COMMITTEE</b>					
A G Jordan (Chairperson)	PT	Rules and Ethics Committee Member	DA	100%	-
M Feni	PT	Rules and Ethics Committee Member	ANC	100%	-
L P Grootboom	FT	Rules and Ethics Committee Member	ACDP	100%	-
L Kruger	PT	Rules and Ethics Committee Member	DA	100%	-
B N Mafaya	PT	Rules and Ethics Committee Member	ANC	100%	-
L Mrara	PT	Rules and Ethics Committee Member	EFF	0%*	-
K O Ngumbela	PT	Rules and Ethics Committee Member	DA	100%	-
M G Steyn	PT	Rules and Ethics Committee Member	DA	100%	-
One Councillor representing		Rules and Ethics Committee Member	AIC, UFEC and PA	0%*	-
* It should be noted that the first and only meeting of this Committee for the period under review took place on 16 May 2017					
<b>LOCAL LABOUR FORUM</b>					
Ms Amanda Olivier – IMATU (Chairperson)		Local Labour Forum Member		60%	100%
D N Biddulph	FT	Local Labour Forum Member	DA	80%	100%
K Boqwana	PT	Local Labour Forum Member (Appointed on 4 May 2017 as a member of this Forum)	ANC	100%	-
O H Kepe	PT	Local Labour Forum Committee Member (Appointed on 4 May 2017 as a member of this Forum)	DA	100%	-

R Meyer	PT	Local Labour Forum Member (Appointed on 4 May 2017 as a member of this Forum)	DA	50%	100% (LOA)
N J Mhlobiso	PT	Local Labour Forum Member	ANC	80%	100%
H Muller	PT	Local Labour Forum Member (No longer a member as from 30 March 2017)	DA	100%	-
S L Sauls	FT	Local Labour Forum Member	DA	80%	100%
P W Terblanche	PT	Local Labour Forum Member	DA	100%	-
P F Tshanga	PT	Local Labour Forum Member (Appointed as a member from 4 May 2017)	EFF	0% (Note: Only two meetings held since appointment)	0%
M Feni	PT	Local Labour Forum Committee Member (Redeployed on 30 March 2017)	ANC	50%	100% (LOA)
Executive Director: Corporate Services		Local Labour Forum Member (had an acting ED stand in for her at times)		100%	-
Director: Labour Relations and Human Resources Planning		Local Labour Forum Member (had an acting stand in for at times)		100%	-
Director: Skills Development and Employment Equity		Local Labour Forum Member (had an acting stand in at times)		80%	100%
Director: Human Resources Management Services		Local Labour Forum Member (had an acting Deputy Director stand in at times)		100%	

**Note: \* Councillors appointed on a proportional basis do not have wards allocated to them**

**The following formulas were used to calculate percentage of meeting attendance :**

**(i) Number of meetings attended by Councillor divided by the number of Committee meetings held the during period of redeployment x 100 = percentage attendance**

**(ii) Leave of absence and apologies received for non-attendance of Committee meetings were calculated using the same formula.**