



2022/23 OVERSIGHT REPORT



nelson mandela bay
MUNICIPALITY

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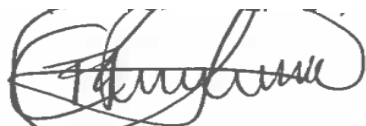
FOREWORD BY THE CHAIRPERSON OF MPAC

This Oversight Report is drafted in response to the Local Government: Municipal Finance Management Act (MFMA) (No. 56 of 2003) which assigns specific oversight responsibilities to Council with regard to the development and adoption of a municipality's annual report. The Council of the Nelson Mandela Bay Municipality has established a Municipal Public Accounts Committee (MPAC) to provide the appropriate mechanism through which Council can fulfil its oversight responsibilities on the Municipality's Annual Report.

The Nelson Mandela Bay Municipality's Draft 2022/23 Annual Report was tabled in Council for consideration on 31 January 2024 and was subsequently referred to MPAC for interrogation and the drafting of an oversight report. MPAC held a number of meetings to meticulously assess the Draft Annual Report.

MPAC noted improvements in certain performance areas, particularly, the Unqualified Audit Report received for the first time in 12 years. However, numerous concerns across Key Performance Areas have been raised by MPAC, which are highlighted in this Oversight Report. Subsequently, MPAC made recommendations to address the identified issues. Implementation of the recommendations will be closely monitored by MPAC through its quarterly meetings. The implementation of the recommendations made by MPAC could improve institutional performance and promote effective governance.

I would like to extend my sincere 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 equally like to thank the administration for their support in drafting this Oversight Report.



COUNCILLOR I F RANYELE
(MPAC CHAIRPERSON)

1. PURPOSE

The purpose of this Oversight Report is to present to Council the observations made by the Municipal Public Accounts Committee (MPAC) and its recommendations in respect of the Nelson Mandela Bay Municipality's Draft 2022/23 Annual Report.

2. INTRODUCTION

Section 121(1) of the MFMA mandates municipalities and their entities to prepare an annual report for each financial year. Furthermore, the MFMA requires the Council of a municipality to deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control within nine months after the end of a financial year.

Section 121(2) of MFMA outlines the purpose of the Annual Report as follows:

- To provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates.
- To provide a report on performance against the budget of the municipality or municipal entity for that financial year.
- To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

Section 129(1) of MFMA further requires the council of a municipality to adopt an oversight report containing the council's comments on the annual report.

The Draft 2022/23 Annual Report of the Nelson Mandela Bay Municipality was presented to Council on 31 January 2024 and was subsequently referred to the MPAC for review. The MPAC assessed the contents of the Draft 2022/23 Annual Report and made recommendations to Council for consideration. The MPAC's deliberations on the Draft 2022/23 Annual Report resulted in this Oversight Report.

The following processes were followed by the MPAC in assessing the Draft 2022/23 Annual Report:

- Holding several MPAC meetings to review the Draft 2022/23 Annual Report.

- Inviting, receiving and considering inputs from stakeholders.
- Holding public hearing on the Draft 2022/23 Annual Report.

3. COMPOSITION OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The MPAC membership which proportionally represents the political parties in Council is constituted as follows:

TABLE 1: COMPOSITION OF MPAC

NO	NAME	POLITICAL AFFILIATION
1	Councillor Ranyele I F (Chairperson)	African National Congress
2	Councillor Grootboom, L P (ACDP Whip)	African Christian Democratic Party
3	Councillor Koko, N N	African National Congress
4	Councillor Maswana, N I	African National Congress
5	Councillor Müller, H (DA Whip)	Democratic Alliance
6	Councillor Notshe, X L (ANC Whip)	African National Congress
7	Councillor Ngakula, N E	African National Congress
8	Councillor Odendaal, R	Democratic Alliance
9	Councillor Pegram, B S	Democratic Alliance
10	Councillor Qwazi, N (EFF Whip)	Economic Freedom Fighters
11	Councillor Steyn, M G	Democratic Alliance
12	Councillor Van Wyk, I L	Democratic Alliance
13	Councillor F Hermaans (DOP Whip)	Defenders of the People
14	Councillor L Mfana	African National Congress
15	Councillor L Peter	African National Congress

The MPAC is made up of only non-executive Councillors as per the MFMA Circular No.32, and municipal officials are not members of MPAC. However, the Accounting Officer and senior managers are required to attend all MPAC meetings to account in their respective areas of responsibilities. All meetings of MPAC are open to the public, and timely notice of meetings are given to enable representations to be made.

4. TIME CONSIDERATIONS

TABLE 2: MEETING SCHEDULE

NO	TIME	DATE	VENUE
1.	11:00	01 February 2024	Council Chambers, City Hall (Gqeberha)
2.	10:00	13 February 2024	Council Chambers, City Hall (Gqeberha)
3.	10:00	23 February 2024	Council Chambers, City Hall (Gqeberha)
5.	11:00	5 March 2024	Council Chambers, City Hall (Gqeberha)
6	10:00	15 March 2024 (Public hearing)	Feather Market Centre, 86 Baakens St (Gqeberha)
7	10:00	22 March 2024	Virtual

The MPAC adopted its Roadmap for reviewing the Draft 2022/23 Annual Report on 1 February 2024.

5. LEGAL FRAMEWORK

Circular No. 32 of the MFMA 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 subsequent drafting of an Oversight Report that may be taken to Council for discussion. According to this Circular, such committee may receive and review representations made by the public and seek inputs from other Councillors and Council Portfolio Committees.

In terms of Section 129(1) of MFMA, the council of a municipality must adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council has;

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

6. PUBLIC PARTICIPATION IN THE OVERSIGHT PROCESS

Section 130 (1) of MFMA stipulates that the meetings of a municipal 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 organ of state.

The MPAC adopted the following steps to promote public participation in the annual report oversight process:

- Inviting written responses on the Draft 2022/23 Annual Report from the local community and state organizations.
- Making all MPAC meetings on the Annual Report public.
- Inviting the Auditor-General's representatives to present the Auditor-General's report at an MPAC meeting.
- Holding a public hearing on the Draft 2022/23 Annual Report.

The initiatives implemented by MPAC to promote public participation in the oversight process are summarized in the table below:

TABLE 3: PUBLIC PARTICIPATION PROCESS

MECHANISM TO PROMOTE PUBLIC PARTICIPATION	STATUS	COMMENTS
Invitation to public to submit comments on the Annual Report	Done	The public was invited through an advertisement published on 9, 14 & 15 February 2024 to submit comments on the Draft 2022/23 Annual Report to the Municipality.
Make public all meetings of Council's Oversight Committee that will consider the Annual Report	Done	The MPAC adopted Roadmap was advertised on 9, 14 & 15 February 2024 inviting the public to its scheduled meetings for discussing the Draft 2022/23 Annual Report.
Representatives of the Auditor-General invited to meetings of Council that will consider Annual Report	Done	Auditor-General's representatives were invited to the MPAC meetings convened to consider the Draft 2022/23 Annual Report.
Annual Report printed and distributed to municipal offices for access by local communities.	Done	Copies of these reports lie open for inspection at all municipal libraries and customer care centres and were also published on the municipal website (www.nelsonmandelabay.gov.za).
Holding a public hearing on the Draft 2022/23 Annual Report	Done	A public hearing on the Draft 2022/23 Annual Report was held on 15 March 2024.

7. OVERSIGHT COMMITTEE RECOMMENDATIONS

The discussions and recommendations of MPAC were presented in accordance with the following identified areas in the Draft 2022/23 Annual Report.

- Area 1** Volume I: Annual Report Executive Summary, Governance, Service Delivery Performance, Organizational Development, Financial Performance and Auditor-General's Audit Finding.
- Area 2** Volume II: Audited (Consolidated) Financial Statements
- Area 3:** Volume III: Audit Report by the Auditor-General
- Area 4:** Volume IV: Audit Committee Report
- Area 5:** Volume V: Report on Entity – Mandela Bay Development Agency

TIMEFRAME CONSIDERATIONS

Implementation of the recommendations in this Oversight Report will be monitored by the MPAC through its ordinary and quarterly report meetings in line with the timelines indicated below.

7.1 OVERSIGHT COMMITTEE RECOMMENDATIONS

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
VOLUME IV: AUDIT COMMITTEE REPORT	1	The MPAC highlighted concerns about the under capacitation of the Internal Audit Division.	<p>(a) That the vacancies in the Internal Audit and Risk Assurance Sub-directorate be filled within the current financial year.</p> <p>(b) That a progress reports per above form part of MPAC's quarterly reports.</p>	<p>Executive Director: Corporate Services</p> <p>Executive Director: Corporate Services</p>	<p>30 June 2024</p> <p>Quarterly</p>
	2	Slow progress in addressing Internal Audit and Auditor General's findings by the administration.	<p>(a) That the City Manager develops a method to ensure institutional compliance with the request from the Internal Audit and Risk Assurance Division, to ensure that audits can be carried out and they can add value to the Municipality.</p> <p>(b) Progress reports on addressing both Internal Audit and Auditor General's finding be submitted to the quarterly meetings of MPAC.</p>	City Manager	<p>30 April 2024</p> <p>Quarterly</p>
	3	Slow progress in dealing with Unauthorized, Irregular, Fruitless and Wasteful Expenditure matters.	(a) Progress reports on Unauthorized, Irregular, Fruitless and Wasteful (UIF &W) Expenditure matters be submitted to the quarterly meetings of MPAC.	Chief financial Officer	Quarterly

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
			<p>(b) That MPAC prioritizes the most recent UIF & W matters and deal with them foremost.</p> <p>(c) That the MPAC Chairperson, MPAC Sub-committee Chairperson and Auditor General form part of the engagements with National Treasury pertaining to the strategy to deal with the long outstanding historical UIF & W matters.</p>	<p>Chairperson: MPAC Sub-committee</p> <p>Chairperson: MPAC</p>	
	4	Poor performance by senior officials with regards to meeting the set targets against SDBIP and IDP.	<p>(a) That the City Manager's Scorecard be amended to include a KPI measuring the percentage of performance evaluations conducted within two months of the end of each quarter.</p> <p>(b) Progress reports on performance evaluation of senior managers be submitted to the quarterly meetings of MPAC.</p>	<p>Chief Operating Officer</p> <p>Chief Operating Officer</p>	<p>01 April 2024</p> <p>Quarterly</p>
	5	Excessive overtime costs.	<p>(a) That, in consultation with the municipal staff and unions, the Overtime Policy be reviewed.</p>	Executive Director: Corporate Services	30 June 2024

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
			(b) Progress reports on the review of the Overtime Policy be submitted to the quarterly meetings of MPAC.		Quarterly
	6	Lack of Financial Management.	<p>(a) That the Chief Financial Officer submits a report highlighting the best strategy in dealing with the Housing Revolving Fund at the next meeting of MPAC.</p> <p>(b) That the Chief Financial Officer establishes a debtors relief programme that will assist in managing the increasing debtors register without compromising the Municipality's finances.</p> <p>(c) That progress reports in terms of (a) and (b) above be submitted to the quarterly meetings of MPAC.</p>	Chief Financial Officer	<p>30 April 2024</p> <p>30 April 2024</p> <p>Quarterly</p>
	7	Excessive Legal Costs.	(a) That a report detailing the reasons for the high cost of outsourced legal services as well as the qualifications, skill sets and vacancies within the Legal Services Sub-directorate be submitted to the next ordinary meeting of MPAC.	Chief Operating Officer	8 April 2024

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
	8	Slow progress in the mSCOA implementation.	(a) Progress reports on the implementation of mSCOA be submitted to the quarterly meetings of MPAC.	Chief Operating Officer	Quarterly
	9	Vacant senior management positions.	(a) That progress reports in respect of the recruitment of Section 57 Senior Officials form part of MPAC's quarterly reports for oversight purposes.	Executive Director: Corporate Services	Quarterly
REPORT OF THE AUDITOR GENERAL	10	Discrepancies in the leasing of municipal properties.	(a) That reports on municipal property lease management form part of MPAC's quarterly reports.	Executive Director: Corporate Services	Quarterly
	11	Water and Electricity Losses.	(a) That the City Manager submits a comprehensive report of water and electricity losses at the next ordinary MPAC meeting. (b) That the Executive Mayor, along with the MMC: Electricity and Energy, be invited to the next MPAC ordinary meeting to explain their support and plans to the electricity department as means to combat electricity losses.	Acting City Manager Chairperson: MPAC	8 April 2024 8 April 2024
STATEMENTS OF FINANCIAL PERFORMANCE	12	Non-existence of the Scarce Skills Policy.	(a) That the Municipality develops a Scarce Skills Policy to ensure that positions that have been designated as such in terms of this	Executive Director: Corporate Services	30 June 2024

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
			<p>policy are adequately allocated Scarce Skills Allowance.</p> <p>(b) That progress reports in terms of (a) above form part of MPAC's quarterly reports.</p>		Quarterly
	13	Cost of employment.	<p>(a) That the Municipality embarks on a benchmarking exercise to establish how its staff remuneration compares to other municipalities and whether it is market related.</p> <p>(b) That progress reports in terms of (a) above form part of MPAC's quarterly reports.</p>	Executive Director : Corporate Services	30 June 2024 Quarterly
	14	The Committee expressed concerns about the fact that the Integrated Public Transport System (IPTS) is still not operational, despite the costs being incurred by the Municipality on IPTS.	(a) That progress reports on the implementation of IPTS form part of MPAC's quarterly reports.	Acting Executive Director: Roads and Transport	Quarterly
	15	The Committee expressed concerns about unspent conditional grants. It was explained that the non or	(a) That progress reports on Conditional Grant performance form part of MPAC's quarterly reports.	Chief Operating Officer	Quarterly

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
		underspending of grants results in lack of service delivery.			
	16	Low general fines collection.	<p>(a) That progress reports on collection of traffic fines form part of MPAC's quarterly reports.</p> <p>(b) That the Acting City Manager submits a report in respect of court orders on litigation matters where ordinary residents have been ordered to pay the Municipality to the next ordinary meeting of MPAC</p>	<p>Acting Executive Director: Safety and Security</p> <p>Acting City Manager</p>	<p>Quarterly</p> <p>8 April 2024</p>
GOVERNANCE	17	A concern was raised with regards to the Municipality's low budget allocation for repairs and maintenance.	<p>(a) That the budget allocation for repairs and maintenance be increased, and that the Municipality ensures maximum spending thereof.</p> <p>(b) That the Acting City Manager submits a comprehensive report on repairs and maintenance with a view to establishing the reasons for low budgeting and underspending thereon to the next ordinary meeting of MPAC.</p>	<p>Chief Financial Officer</p> <p>Acting City Manager</p>	<p>30 June 2024</p> <p>8 April</p>
	18	The Committee expressed concern about the non-sitting of Bid Committees.	(a) That the Acting City Manager submits a report on Bid Committee meetings held in the 2022/23 financial year at the next ordinary meeting of MPAC.	Acting City Manager	8 April 2024

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
			(b) That the Acting City Manager ensures that Bid Committees are capacitated (including appointment of competent members) and that sittings of Bid Committees are monitored on regular basis.		
SERVICE DELIVERY PERFORMANCE REPORT	19	Damaged and/or vandalized Public Health facilities, particularly refuse dump sites.	(a) That the Executive Director: Public Health sources funding to rehabilitate damaged facilities at the refuse dump sites. (b) That progress reports in terms of (a) above be submitted to the quarterly meetings of MPAC	Executive Director: Public Health	30 June 2024 Quarterly
	20	The Committee raised a concern about the lack of progress regarding rehabilitation of roads.	(a) That the Acting Executive Director: Roads and Transport submits a progress report on the rehabilitation of roads at the next ordinary meeting of MPAC.	Acting Executive Director: Roads and Transport	8 April 2024
	21	The Committee raised a concern about the operating days and times of public libraries.	(a) That the Municipality ensures reasonable steps are taken to extend operating days of Public Libraries to include weekends. (b) That progress reports in terms of (a) above be submitted to the quarterly meetings of MPAC.	Acting Executive Director: SRAC	30 June 2024 Quarterly
	22	Lack of implementation of Council's resolutions and the monitoring thereof.	(a) That progress reports on the implementation of Council's resolutions form part of MPAC's	Executive Director:	Quarterly

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
			<p>quarterly reports for monitoring purposes.</p> <p>(b) That the Council Resolution Register be regularly updated to include all Council resolutions and the implementation thereof be closely monitored.</p>	Corporate Services	
	23	The Committee raised a concern about the Municipality's outdated Long-term Growth and Development Plan.	<p>(a) That the Long-Term Growth and Development Plan be reviewed to be aligned with the current economic status.</p> <p>(b) That progress reports in terms of (a) above be submitted to the quarterly meetings of MPAC</p>	Chief Operating Officer	<p>31 March 2025</p> <p>Quarterly</p>
	24	<p>The Committee raised concerns about the following:</p> <ul style="list-style-type: none"> • Poor conditions in Old Age Homes managed by the Municipality. • Lack of progress regarding rehabilitation of roads. • Absence of traffic cameras. 	<p>(a) That the Office of MPAC arranges and facilitates oversight visits to the following departments, to gain a better understanding of the circumstances there and to assist in establishing progressive solutions where there are challenges.</p> <ul style="list-style-type: none"> • Traffic and Licensing Department. • Roads and Transport Department. • Old Age Homes managed by the Municipality. 	MPAC Chairperson	25 April 2024
	25	The Committee noted with concerns the absence of	(a) That the Acting City Manager submits a comprehensive report on	Acting City Manager	8 April 2024

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
SERVICE DELIVERY PERFORMANCE REPORT		maintenance plans of existing assets across the various directorates in the Municipality.	the Municipality's asset / infrastructure maintenance plan per directorate to the next ordinary meeting of MPAC.		
	26	It was indicated that the mandate of the MBDA should be reviewed as the Entity implements projects outside its scope/mandate.	(a) That the Municipality reviews the Mandate of the MBDA and ensures finalisation by 30 June 2024 thereof. (b) That progress reports in terms of (a) above be submitted to the quarterly meetings of MPAC	Acting City Manager	30 June 2024 Quarterly
	27	The Committee raised a concern about MBDA's irregular expenditure.	(a) That the MBDA submits a report on the Entity's historical irregular expenditure investigations to the next ordinary meeting of MPAC.	Chief Executive Officer: MBDA	8 April 2024
GENERAL COMMENTS	38	Comments by the Auditor-General.	(a) That statistical information and status quo analysis in the Draft 2022/23 Annual Report be updated before the final Draft is tabled in Council. (b) That issues raised by the Auditor-General on the Draft 2022/23 Annual Report be addressed before the final Draft is tabled in Council.	Chief Operating Officer	31 March 2024

8. OVERSIGHT REPORT RECOMMENDATIONS FROM 2018/19 TO 2021/22 NOT IMPLEMENTED

In addition to the recommendations cited in the preceding section (Section 7.1), the MPAC will continue to monitor the implementation of all outstanding recommendations in previous financial years' Oversight Reports (2018/19 - 2021/22).

9. OVERSIGHT COMMITTEE (MPAC) RESOLUTIONS:

Having fully considered the Nelson Mandela Bay Municipality's 2022/23 Annual Report, the Municipal Public Accounts Committee resolves to recommend to Council the following:

- (a) That the Council, having fully considered the Annual Report of the NMBM for the 2022/23 financial year, adopts the Oversight Report, circulated as Annexure "A" to this agenda, as presented by MPAC.
- (b) That the 2022/23 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 2022/23 Oversight Report be adopted and that, the progress made with the implementation thereof be reported in the Quarterly Reports to MPAC.
- (d) That progress with the implementation of outstanding recommendations by MPAC emanating from the 2018/19, 2019/20, 2020/21 and 2021/22 financial years be reported in the Quarterly Reports to MPAC.
- (e) 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.
- (f) That the Oversight Report for the 2022/23 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.

- (g) That Council, having fully considered the Mandela Bay Development Agency's (MBDA's) Annual Report, as included in the NMBM's 2022/23 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 1 February 2024)

PRESENT: Councillor Ranyele I F (Chairperson)

Councillor Grootboom, L P
Councillor Koko, N N
Councillor Maswana, N I
Councillor Mfana, I
Councillor Müller, H
Councillor Notshe, X L
Councillor Nqakula, N E
Councillor Odendaal, R
Councillor Pegram, B S
Councillor Peter, L
Councillor Qwazi, N
Councillor Steyn, M G
Councillor Van Wyk, I L

ALSO PRESENT: Councillor T B Mafaya

City Manager

Chief Financial Officer

Executive Director: Human Settlements

Acting Executive Director: Corporate Services (Mr D Mbebe)

Director: Office of the City Manager (Ms T Shabudien)

Director: Support Services (Infrastructure and Engineering) (Ms K Kanzi)

Chief Auditor: Internal Audit and Risk Assurance (Mr A De Wet)

MPAC Coordinator: Mr J Tutu

Committee Officer: Committee Services (Mr O Bingwa)

Secretary: Office of MPAC (Ms P Mgwebi)

The Chairperson, in opening the meeting, made the following statement.

“Good morning Coucillors, Officials, Secretariat and the Media, I will not delay the meeting with a long speech, however once again, I’d like to thank the Councillor who attended the Subcommittee meetings and the Subcommittee meeting observed by the official from the Auditor General office in relation to Section 32 matters. We adopted the roadmap to fastrack the backlog of Section 32 matters prioritizing the historical reports from 2010-2015 however not much progress in dealing with these matters sighting delays by officials in submitting outstanding reports in time and coming to the meeting unprepared.

We need to agree on the recommendations sponsored by Councillor Odendaal about the establishment of split- Subcommittee meeting to fastrack the Section 32 matters. I believe this is the last Standing Committee meeting for the year, but I'm not sure if we cannot squeeze one last Subcommittee meeting before the seating of the Council meeting. It has been a long year, people are tired, there is a lot going on, but I thank you for having been loyal in attending these meetings. May you all have safe journey to your various destinations for holidays, have a safe holiday so that we can all come back safe and in good spirit.

As MPAC Committee, we need to find ways of identifying 2 Metro Municipalities for benchmarking in order to enhance our performance in doing an oversight. The purpose of this input is to note Auditor General's concerns which resulted in a Qualified opinion and establish the extent to which the Nelson Mandela Bay Municipality has tried to address, attend to a rectify these issues or report on challenges they experience which hinder their progress in addressing same especially in case of repeat findings.”

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)

No disclosures were made.

DISCLOSURE OF INTERESTS BY OFFICIALS

No disclosures were made.

CONFIRMATION OF MINUTES:

RESOLVED:

That the Minutes of Proceedings of the Municipal Public Accounts Committee at its meeting held on 28 November 2023 – postponed from 21 November 2023, as circulated, be hereby confirmed.

REPORT BY EXECUTIVE DIRECTOR : CORPORATE SERVICES

**1. MPAC REVIEW SCHEDULE AND DEVELOPMENT OF OVERSIGHT REPORT
DRAFT 2022/2023 ANNUAL REPORT MPAC REVIEW SCHEDULE**

The Committee, upon reviewing the Oversight Schedule, made a sprinkling of amendments thereto.

RESOLVED:

That the Road Map for the consideration of the NMBM's 2022/23 Annual Report be adopted.

2. DATES, TIMES AND VENUES ACCORDING TO THE COUNCIL CALENDAR

The importance of maintaining consistent meeting schedules, especially with the upcoming general elections was emphasised. This followed after concerns were raised about potential interference with the meeting calendar due to the elections, and the need to revise the schedule was highlighted. The whips of the parties were planned to be involved in determining suitable meeting dates to meet statutory obligations and oversee the Oversight process on the Annual Report.

NOTED.

The meeting terminated at 14:20.

CHAIRPERSON

MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

(Meeting held 13 February 2024)

PRESENT: Councillor Ranyele I F (Chairperson)

Councillor Grootboom, L P I
Councillor Mfana, I
Councillor Müller, H
Councillor Notshe, X L
Councillor Nqakula, N E
Councillor Odendaal, R
Councillor Pegram, B S
Councillor Peter, L
Councillor Steyn, M G
Councillor Van Wyk, I L

ALSO PRESENT: City Manager

Chief Operating Officer
Chief Financial Officer
Executive Director: Human Settlements
Executive Director: Corporate Services
Executive Director: Public Health
Executive Director: Electricity and Energy
Acting Executive Director: Sport, Recreation, Arts and Culture
(Ms C Williams)
Acting Executive Director: Roads and Transport (Mr Y Gaffore)
Acting Executive Director: Safety and Security (Mr N Whiteboy)
Acting Executive Director: Economic Development, Tourism and
Agriculture (Mr M Pebane)
Senior Director: Water and Sanitation (Mr B Martin)
Director: Office of the City Manager (Ms T Shabudien)
Director: CoGTA EC (Mr M Clay)
Deputy Director: Monitoring and Evaluation (Dr W Obeng)
Assistant Director: Internal Audit and Risk Assurance (Mr S Gwija)
Assistant Director: CoGTA (Ms K Dyonase)
Interim Chairperson: Audit Committee (Ms M Wait)
Manager: Monitoring and Evaluation (Ms M Mrubata)
Chief Auditor: Internal Audit and Risk Assurance (Mr A De Wet)
Chief Auditor: Internal Audit and Risk Assurance (Mr A Jacobs)
MPAC Coordinator: Mr J Tutu
Committee Officer: Committee Services (Ms D Draai)
Committee Officer: Committee Services (Ms C Kayser)
Secretary: Office of MPAC (Ms P Mgwebi)

The Chairperson, in opening the meeting, made the following statement.

”Councillors
Office of Auditor General
City Manager
COO and CFO
Executive Directors
Internal Audit Committee
The Secretariat
The Media,
The public and all people in attendance

Greetings to you all !

- Councillors, the Annual Report is in your possession for consideration
- The focus will be on components for promoting accountability and governance as reflected on the aspects of roadmap agreed
- However, let us welcome the A-G’s unqualified audit opinion, with findings after a long period of 12 years –
- However, to ensure unqualified opinion is sustainable, we need to address the root causes of these findings and address them
- Failure to do so, we will be conducting operations in a weak control environment
- Further than that, we also need to address concerns raised by audit Committee regarding the high-risk areas threatening the municipality sustainability
- Lastly, we need to Fastrack MPAC and MPAC Sub-Committee slow progress in dealing with irregularities
- Having said so, we wish to advise that the Sub-Committee meeting that we arranged for the 15th of February which was not part of the calendar is cancelled due to the special Council meeting that will be held on that day”.

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

It was indicated that an application for leave of absence was received from Councillor N Qwazi.

Apologies were received from:

Councillor N N Koko.
Councillor N I Maswana.

RESOLVED:

That application for leave of absence from this meeting be granted to Councillor N Qwazi.

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)

No disclosures were made.

DISCLOSURE OF INTERESTS BY OFFICIALS

No disclosures were made.

CONFIRMATION OF MINUTES:

RESOLVED:

That the Minutes of Proceedings of the Municipal Public Accounts Committee at its meeting held on 1 February 2024, as circulated, be hereby confirmed.

REPORT BY EXECUTIVE DIRECTOR : CORPORATE SERVICES

1. DRAFT 2022/23 ANNUAL REPORT OF NELSON MANDELA BAY MUNICIPALITY (3/2/4/1/4) (5/24/1/3) (Item 1 – agenda p. 8)

1.1. Audit Committee Report

The Audit Committee Interim Chairperson, in presenting this report, highlighted the following key areas of concerns.

- Under capacitation of the Internal Audit division. It was reported that this was the result of the municipality's organogram that was not finalised and that the ultimate impact of this issue translated to poor performance by Internal Audit.
- Slow progress in addressing Internal Audit and Auditor General's findings by the administration.
- Slow progress in dealing with Unauthorised, Irregular, Fruitless and Wasteful Expenditure matters.
- Poor performance by senior officials with regards to meeting the set targets against SDBIP and IDP.
- Excessive Overtime Costs.
- Lack of Financial Management.
- Excessive Legal Costs.

- Slow progress in the mSCOA implementation. It was advised that the Municipality should consider embarking on a Benchmarking exercise to the Buffalo City Municipality with a view to identifying areas where improvements could be made and ultimately finalise this matter.

In conclusion, the Audit Committee Interim Chairperson indicated that the unqualified audit opinion by the Auditor General was an improvement for the municipality. However, the findings in the Audit Report of the Auditor General needed to be addressed to ensure the sustainability and more improvement of the unqualified audit opinion. She added that this was achievable through combined efforts from all relevant major stakeholders.

The City Manager added that in order to promote effectiveness, transparency and accountability in governance, the need to create a conducive working environment was of vital importance; failing which, the service delivery would be compromised. She assured the Committee that the concerns raised were receiving the attention of the administration. In conclusion, the City Manager highlighted that it was difficult to ensure accountability without senior officials. Consequently, she expressed her gratitude to the various directors who were filling the gaps in directorates where there were no senior officials and assured the Committee that those gaps would be filled by the filling of critical vacancies.

The Committee, after extensive debates, made the following recommendations.

RESOLVED:

- That the vacancies in the Internal Audit and Risk Assurance division be filled within the current financial year.
- That a progress reports per (a) above form part of MPAC's quarterly reports
- That progress reports in respect of the recruitment of Section 57 Senior Officials form part of MPAC's quarterly reports for oversight purposes.
- That, in consultation with the municipal staff and unions, the Overtime Policy be reviewed.
- That the Chief Financial Officer establish a debtors relief programme that will assist in managing the increasing debtors register without compromising the municipality's finances.
- That the Chief Financial Officer submits a report highlighting the best strategy in dealing with the Housing Revolving Fund at the next meeting of MPAC.
- That the City Manager develop a method to ensure institutional compliance with the request from the Internal Audit and Risk Assurance division, to ensure that audits can be carried out and they can add value to the municipality.
- That the City Manager's Scorecard be amended to include a KPI measuring the number of percentage performance evaluations held within the two months of the end of each quarter.

1.2. Annual Financial Statements

Questions and concerns were raised in respect of the municipality's financial statements and were adequately addressed by the Chief Financial Officer. He emphasised that the municipality recorded a strong financial performance for the year under review, this was supported by the evidence showing that the municipality had recorded a surplus of approximately R1.3 billion.

Serious concerns were raised in respect of the following matters.

- Discrepancies in the leasing of municipal properties

The City Manager indicated that issues around the leasing of municipal properties were the result of instability of both Political and Administrative Office Bearers, citing that with every change in government resulted in the moving around of functions. These functions were, at times, moved to areas where there was no capacity to execute them. She advised that the Executive Director should establish a plan to deal with the management of leases on municipal properties.

- Water and Electricity Losses

The Executive Director: Electricity and Energy indicated that the municipality had seen a decrease in the electricity losses compared to the previous years. This was achieved by focusing on the billing issues that were found to have been inaccurate.

With regards to water losses, Mr B Martin, the Senior Director: Water and Sanitation revealed that the Infrastructure and Engineering directorate was in the process of revising its water losses reduction strategy. He added that the need for this revision was fuelled by an additional funding that had been secured for the water losses programme. Mr Martin explained that budget constraints have been a major set back and have been hampering the progress of curbing the issue of water losses.

The City Manager indicated that a comprehensive report on Water and Electricity losses would be submitted to MPAC.

RESOLVED:

- (a) That a reports on municipal property lease management form part of MPAC's quarterly reports.
- (b) That the City Manager submits a comprehensive report of water and electricity losses at the next ordinary MPAC meeting.

The meeting terminated at 13:25.

CHAIRPERSON

MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

(Meeting held 23 February 2024)

PRESENT: Councillor Ranyele I F (Chairperson)

Councillor Grootboom, L P
Councillor Koko, N N (MS Teams)
Councillor Maswana, N I (MS Teams)
Councillor Müller, H
Councillor Notshe, X L
Councillor Nqakula, N E
Councillor Odendaal, R
Councillor Pegram, B S
Councillor Qwazi, N
Councillor Steyn, M G
Councillor Van Wyk, I L

ALSO PRESENT: Councillor T B Mafana

Acting City Manager (Mr L Magalela)

Chief Financial Officer

Acting Chief Operating Officer (Mr N Dunjana)

Executive Director: Public Health

Acting Executive Director: Roads and Transport (Mr Y Gaffore)

Acting Executive Director: Human Settlements (Mr O Pantshwa)

Acting Executive Director: Sport, Recreation, Arts and Culture (Ms C Williams)

Director: Office of the City Manager (Ms T Shabudien)

Director: Corporate Services (Adv V Zeelie)

Director: Water and Sanitation (Mr J Tsatsire)

Deputy Director: Monitoring and Evaluation (Dr W Obeng)

Deputy Director: Economic Development, Tourism and Agriculture
(Ms P Dongi)

Chief Auditor: Internal Audit and Risk Assurance (Mr A De Wet)

Performance Management Practitioner: Office of the COO (Ms L Denston)

Performance Management Practitioner: Office of the COO (Ms N Goqoza)

MPAC Coordinator: Mr J Tutu

Committee Officer: Committee Services (Mr O Bingwa)

Secretary: Office of MPAC (Ms P Mgwebi)

Secretary: Office of MPAC (Ms B Ngalo)

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 F Hermaans

Councillor L Mfana

Councillor L Peter

The Chief Operating Officer who was represented by Mr N Dunjana (Acting Chief Operating Officer).

The Executive Director: Corporate Services who was represented by Adv V Zeelie (Director: Corporate Services).

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)

No disclosures were made.

DISCLOSURE OF INTERESTS BY OFFICIALS

No disclosures were made.

REPORT BY EXECUTIVE DIRECTOR : CORPORATE SERVICES

4. DRAFT 2022/23 ANNUAL REPORT OF NELSON MANDELA BAY MUNICIPALITY (3/2/4/1/4) (5/24/1/3) (Item 1 – agenda p.4)

4.1 Report of the Auditor General

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

- Water losses

It was explained that the plans to mitigate water losses were in place, however, budget limitations hampered the progress thereof. There was a 10-year strategy that was partially funded; consistent investment was required to ensure the issues of water losses were addressed.

- Electricity losses

The Acting City Manager indicated that the major problems the municipality was faced in respect of the electricity included tempering and illegal connections. He added that in order for effective technical solution, political support was required, particularly in the communities where the issues were. Citing that residents needed to get briefing from political representatives about the electricity related works that were being carried out in their wards.

The Committee was of the view that the Executive Mayor, along with the MMC: Electricity and Energy, should be summoned to its next ordinary meeting to explain their support and plans to the electricity department as means to combat electricity losses.

- **Unauthorised, Irregular, Fruitless and Wasteful Expenditure**

The increasing and excessive irregular expenditure amount across the municipality was raised as a serious concern, including the slow progress in dealing with same. It was agreed that MPAC should prioritise the most recent UIF & W matters and deal with them speedily as they include all the information that is required. This followed after it was established that historical matters had missing information and it was difficult and time-consuming dealing with them.

The Chief Financial Officer stated that there were engagements with National Treasury which sought to assist with the elimination of historical UIF & W matters. It was added that the MPAC Chairperson, MPAC Subcommittee Chairperson and the Auditor General should form part of these engagement in order for all parties present to establish common grounds in respect of dealing with the historical irregular expenditure.

RESOLVED:

- (a) That the Executive Mayor, along with the MMC: Electricity and Energy, be summoned to the next MPAC ordinary meeting to explain their support and plans to the electricity department as means to combat electricity losses.
- (b) That MPAC prioritises the most recent UIF & W matters and deal with them foremost.
- (c) That the MPAC Chairperson, MPAC Subcommittee Chairperson and Auditor General form part of the engagements with National Treasury pertaining to the strategy to deal with the long outstanding historical UIF & W matters.

4.2 Statements of Financial Performance

The following concerns were raised in respect of this item.

- **Nonexistence of the Scarce Skills Policy**

It was advised that the municipality should develop a Scarce Skills Policy as nonexistence of same was detrimental thereto.

- **Cost of employment**

It was indicated that the municipality should embark on a benchmarking exercise to establish how the same compared to other municipalities in terms of remunerating its staff and whether the

institution was market related. A progress report on this exercise should form part of MPAC's quarterly reports.

- IPTS

The system was still not operational, despite the costs the municipality continued to incur on this programme.

- Unspent Grants

It was explained that the non or underspending on grants translated to lack of service delivery and thus the municipality needed to ensure maximum spending of grants, including its own budget and this had a direct impact on service delivery.

- Low general fines collection
- Court orders on litigation matters

It was suggested that the municipality was losing an excessive amount of money by not following up on court orders where the court had ruled in its favour on litigations. Consequently, the Acting City Manager was requested to submit a report in respect of court orders on litigation matters where ordinary residents had been ordered to pay the municipality.

- Low budgeting on repairs and maintenance

A concern was raised with regards to the municipality's low budgeting on repairs and maintenance. It was suggested that the allocation on repairs and maintenance should be increased by incorporating a budget for water and electricity losses.

The Chief Financial Officer indicated that increasing the budget for repairs and maintenance was not an issue, however, the directorates were not even utilising the money allocated for repairs and maintenance.

The Committee was of the view that the Acting City Manager should submit a comprehensive report on repairs and maintenance with a view to establishing the reasons for low budgeting and underspending thereon. It was also agreed that the allocation on repairs and maintenance should be increased, and the municipality should ensure maximum spending thereof.

RESOLVED:

- (c) That the municipality develop a Scarce Skills Policy to ensure that positions that have been designated as such in terms of this policy are adequately allocated Scarce Skills Allowance.
- (d) That that the municipality embarks on a benchmarking exercise to establish how the same compares to other municipalities in terms of remunerating its staff and whether the institution is market related.
- (e) A progress report on the exercise, per (a) above, should form part of MPAC's quarterly reports.

- (f) That the Acting City Manager submits a report in respect of court orders on litigation matters where ordinary residents have been ordered to pay the municipality.
- (g) That the budget allocation on repairs and maintenance be increased, and that the municipality ensures maximum spending thereof.
- (h) That the Acting City Manager submits a comprehensive report on repairs and maintenance with a view to establishing the reasons for low budgeting and underspending thereon.

4.3 Mayor's Foreword and Executive Summary including City Manager's Overview

NOTED

4.4 Governance

The committee raised the following concerns in respect of this item.

- The slow progress on finalising the organisational structure of Nelson Mandela Bay Municipality
- The slow progress on the implementation of mSCOA.
- Bid Committee meetings not materialising.

It was explained that there was a process that had recently commenced in respect of mSCOA that a progress report would be submitted to MPAC.

The Acting City Manager was requested to submit a report on the Bid committee meetings that were held in the 2022/23 financial year.

RESOLVED:

- (a) That the Acting City Manager submits a progress report on mSOA implementation at the next ordinary meeting of MPAC.
- (b) That the Acting City Manager submits a report on the Bid committee meetings held in the 2022/23 financial year at the next meeting of MPAC.

The meeting terminated at 13:15.

CHAIRPERSON

MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

(Meeting held 5 March 2024)

PRESENT: Councillor Ranyele I F (Chairperson)

Councillor Hermaans, F
Councillor Müller, H
Councillor Notshe, X L
Councillor Nqakula, N E
Councillor Odendaal, R
Councillor Pegram, B S
Councillor Peter, L
Councillor Qwazi, N
Councillor Steyn, M G
Councillor Van Wyk, I L

ALSO PRESENT: Chief Operating Officer
Chief Financial Officer
Executive Director: Human Settlements
Executive Director: Public Health
Acting Executive Director: Corporate Services (Mr D Mbebe)
Acting Executive Director: Safety and Security (Mr N Whiteboy)
Chief Financial Officer: MBDA (Ms K Mgijima)
Senior Director: Water and Sanitation (Mr B Martin)
Senior Director: Electricity and Energy (Mr B Lamour)
Director: Roads and Transport (IPTS) (Ms S Somjaliso)
Acting Director: Sport, Recreation, Arts and Culture (Ms B Chigumbu)
Deputy Director: Monitoring and Evaluation (Dr W Obeng)
Assistant Director: Internal Audit and Risk Assurance (Mr S Gwija)
Assistant Director: CoGTA (Ms K Dyonase)
Assistant Director: CoGTA (Ms N Mandara)
Manager: Finance (MBDA) (Ms U Peter)
Manager: Economic Development, Tourism and Agriculture (Mr M Ngokro)

Performance Management Practitioner: Office of the COO (Ms L Baartman)
Performance Management Practitioner: Office of the COO (Ms N Goqoza)
Performance Management Practitioner: Office of the COO
(Ms Z Mhuluhulu)
MPAC Coordinator: Mr J Tutu
Committee Officer: Committee Services (Mr O Bingwa)
Secretary: Office of MPAC (Ms P Mgwebi)
Secretary: Office of MPAC (Ms B Ngalo)

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

Applications for leave of absence from this meeting were received from:

Councillor L P, Grootboom.
Councillor N N, Koko.

Apologies were received from:

Councillor N I, Maswana.

The Acting City Manager (Mr L Magalela) who was engaged in other council business and was represented by the Chief Operating Officer.

The Acting Executive Director: Economic Development, Tourism and Agriculture (Mr M Pebane) who was represented by the Manager: Economic Development, Tourism and Agriculture (Mr M Ngokro)

RESOLVED:

That leave of absence be granted for Councillors L P Grootboom and N N Koko.

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)

No disclosures were made.

DISCLOSURE OF INTERESTS BY OFFICIALS

No disclosures were made.

CONFIRMATION OF MINUTES:

RESOLVED:

That the Minutes of Proceedings of the Municipal Public Accounts Committee at its meeting held on 13 February 2024, as circulated, be hereby confirmed.

REPORT BY EXECUTIVE DIRECTOR : CORPORATE SERVICES

5. DRAFT 2022/23 ANNUAL REPORT OF NELSON MANDELA BAY MUNICIPALITY (3/2/4/1/4) (5/24/1/3) (Item 1 – agenda p. 10)

5.1. Service Delivery Performance Report

The Committee expressed concerns and engaged in extensive debates on the following matters.

- The progress status of Coega Kop Water Treatment Works.
- Housing Backlog.
- Slow improvement of the Informal Settlements.
- IPTS rollout plans.
- Lack of progress regarding rehabilitation of roads.
- Operating days and times of public libraries.
- Absence of traffic cameras.
- Lack of implementation of Council’s resolutions and the monitoring thereof.
- Damaged and/or vandalised Public Health facilities, particularly refuse dump sites.
- Poor conditions in municipal run Old Age Homes.
- Status quo of the Fire and Emergency Services department.
- Status of the Long-Term Growth and Development Plan.

Upon comprehensive verbal reports on the matters raised above, the Committee was of the view that Oversight visits should be arranged to the Traffic Department, Roads and Transport and Old Age Homes that were managed by the municipality to gain a better understanding of the circumstances there and to assist in establishing progressive solutions where there were challenges.

RESOLVED:

- (a) That the Executive Director: Public Health source funding to rehabilitate damaged facilities at the refuse dump sites.
- (b) That the Acting Executive Director: Roads and Transport submits a progress report on the rehabilitation of roads at the next ordinary meeting of MPAC.
- (c) That the municipality ensures reasonable steps are taken to extend operating days of Public Libraries to include weekends.
- (d) That progress reports on the implementation of Council’s resolutions form part of MPAC’s quarterly reports for monitoring purposes.
- (e) That the Long-Term Growth and Development Plan be reviewed to be aligned with the current economic status.
- (f) That the office of MPAC arrange and facilitate oversight visits to the following departments, to gain a better understanding of the circumstances there and to assist in establishing progressive solutions where there are challenges.
 - (i) Traffic and Licensing Department.
 - (ii) Roads and Transport Department.
 - (iii) Municipal-Run Old Age Homes.

5.2. CoGTA Indicators

Upon noting a low percentage of staff complement for persons with disability, it was suggested that the municipality should consider reviewing its application processes to ensure that the job market was accessible to disabled individuals. However, the Acting Executive Director : Corporate Services explained that relevant policies that guided the recruitment processes were adequately in place. Citing that the various Directorates in the municipality lacked interest in appointing disabled persons. This matter was left unresolved.

A concern was also raised on the status of the Municipal Local Economic Development Framework. It was indicated that, although business opportunities were offered to small businesses, there was a trend of events where the municipality was held to ransom by SMME's in the form of protests and other disruptive means. This was hampering service delivery and would occasionally lead to violence. However, it was explained that the Municipal Local Economic Development Framework had recently been reviewed to address particularly the issues relating to SMME's. So far, there had been no evidence of whether or not the revised framework was effective.

The Committee noted with concerns the absence of maintenance plans of existing assets across the various directorates in the municipality and hence the low-rate spending on its Capital Budgets. Consequently, the Acting City Manager was requested to submit a comprehensive report on maintenance plans for each Directorate.

The following concerns were also flagged.

- Slow progress in dealing with suspended officials, resulting to excessive costs to the municipality.
- Lack of improvement in terms of percentage of municipal payments made to service providers who submitted complete forms within 30 days of invoice submission.

RESOLVED:

That the Acting City Manager submits a comprehensive report on the municipality's maintenance plans, per directorate, of its existing assets to the next ordinary meeting of MPAC.

5.3. National Treasury Circular 88 Indicators

NOTED.

5.4. Auditor General's Audit Findings

It was explained that this matter had already been dealt with under Vol. III on Chapter 6 of the NMBM's 2022/23 Annual Report.

NOTED.

5.5. Appendices A – S

NOTED.

5.6. MBDA

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

- Increase in the Board fees.

It was explained that the board fees were paid as the Council's resolutions and that the fees may have increased due to increased number of meetings.

- Underspending on its Operating Budget.

It was indicated that underspending hereon was the result of roll-overs coming in late.

- Increase in Trade Debtors.

It was explained that this increase was the result of historical claims due to management issues. This matter was receiving attention, with the assistance from the Chief Financial Officer of the NMBM.

- Mandate of the MBDA

It was indicated that the mandate of the MBDA should be reviewed as there suggestions that the entity was receiving work that was outside its scope/mandate.

- Irregular Expenditure

The MBDA was requested to submit a report on its historical irregular expenditure investigations.

RESOLVED:

- (a) That the municipality reviews the Mandate of the MBDA and ensures finalisation by June 2024 thereof.
- (b) That the MBDA submits a report on the entity's historical irregular expenditure investigations.

The meeting terminated at 13:00.

CHAIRPERSON

APPENDIX “B”:

**Advertisements/Invitations to the public to
comment / attend meetings where the 2022/23 Annual
Report will be discussed**

see our videos online

HeraldLIVE



Gqeberha double-murder accused Zane Geyers, who previously abandoned his bid for bail, has made a U-turn and now wants to apply to be released from custody.

Geyers is accused of the murder of Kurtley Rossouw, 14, who died after being shot outside his Lawrence Erasmus Drive, Bloemendal, home on June 22 last year shortly after arriving from school.

Police suspect Kurtley was hit by a stray bullet and that

Malgas, 25, who was walking in the road and shot dead in the same incident.

The shots that killed Kurtley and Malgas are thought to have been fired from a moving car.

A third person, aged 26, was also shot but survived.

Geyers was initially charged with the murders alongside his relative, Cheslyn Philander.

Philander died after he was severely beaten and stabbed in Gelvan Park on December 23, shortly after being released on bail of R20,000.

lawyer, Theuns Roelofse, told the Gqeberha magistrate's court yesterday his client now intended to apply for bail in light of Philander's successful application.

According to Roelofse, Geyers was with Philander on the day of the shooting, which he said was tantamount to an alibi.

He told the court he needed transcripts of Philander's bail proceedings and other relevant court documents. The case was postponed to Monday.

suspected of the murder of Philander are expected to apply for bail in the same court.

Meikhyl Wynford, 30, and Enzo Kingsley, 29, were arrested on January 23 and charged with his murder.

Philander was fatally attacked by a group of people in a house in Habelgaam Street, Gelvan Park.

He sustained multiple stab wounds and other injuries to his body, and was taken to a nearby hospital, where he later died.

nelson mandela bay MUNICIPALITY

ISAZISO

UYILO LUKA-2022/23 INGXELO YONYAKA KUNYE NENGXELO YONYAKA KA-2023/24 YOHLAHLU LWABIWO-MALI LWAPHAKATHI KONYAKA KUNYE NENGXELO YOVAVANYO LWENTSEBENZO EVULELEKILEYO UKUZE IHLOLWE

UYILO lweNngxelo yoNyaka ka-2022/23 kunye neNngxelo yoHlahlo-lwabiwo-mali noVavanyo lweNtsebenzo ka-2022/23 kunye neNngxelo yoHlahlo-lwabiwo-mali loNyaka ka-2022/23 kunye neNngxelo yoVavanyo lweNtsebenzo kaMasipala oMbaxa iNelson Mandela Bay yafakwa kwiBhunga ngomhla wama-31 kweyoMqungu 2024. UYILO lweNngxelo yoNyaka ka-2022/23 emva koko yadulisekwa kwiKomiti yeeAkhawunti zikaRhulumente kaMasipala (MPAC) ukuze ihlaziywe. Ngale ndlela uMasipala umama izimvo zoluntu malunga neNngxelo yoNyaka yoYilo luka-2022/23 ngokweCandelo 127(5)(a)(i) soMthetho woLawulo lweMali kaMasipala, onguNombolo 56 ka-2003.

Iikopi zeNngxelo yoNyaka zoYilo luka-2022/23 kunye neNngxelo yoHlahlo-lwabiwo-mali noVavanyo lweNtsebenzo ka-2022/23 kunye neNngxelo yoHlahlo-lwabiwo-mali loNyaka oluku-Mbindi woNyaka u-2022/23 kunye neNngxelo yoVavanyo lweNtsebenzo ziyafumaneka ukuze zihlolwe kuwo onke amathala encwadini kumasipala ngokunjalo nakuMaziko oKhathalelo lwaBathengi, kwakunye nakwiwebhusayithi kamasipala: www.nelsonmandelabay.gov.za.

Naziphi na izimvo malunga neNngxelo yoNyaka yoYilo luka-2022/23 kunye neNngxelo yoHlahlo-lwabiwo-mali noVavanyo lweNtsebenzo ka-2022/23 kunye neNngxelo yoHlahlo-lwabiwo-mali loNyaka oluku-Mbindi woNyaka u-2022/23 kumele ukuba zingeniswe kwi-Ofisi yoLawulo weSokeko (Ibhokisiwe: kwiGosa lokuSebenza eIyintloko), ngePositaka kwiBhokisiwe-PO 116, eGqeberha, 6000 okanye kwi-imeyile: coo@mandelametro.gov.za phambi koMvulo, 26 KWEYOMDUMBA 2024.

Ishedyuli yeentlanganiso zeKomiti yeeAkhawunti zikaRhulumente kaMasipala apho kuya kukoxwa ngeNngxelo yoNyaka yeDrafti ka-2022/23, imi ngolu hlobo lulandelayo:

INO	UMHLA WENTLANGANISO NEXESHA	INDAWO
1.	Ngolwesibini, 13 kweyoMdumba 2024 ngeye-10:00	Iziko leNgqungquthela, i-Military Rd, i-Central
2.	Ngolwesibini, kweyoMdumba 20 2024 ngeye-10:00	Iziko leNgqungquthela, i-Military Rd, i-Central
3.	Ngolwesihlanu, 23 kweyoMdumba 2024 ngeye-10:00	Iziko leNgqungquthela, i-Military Rd, i-Central
4.	Ngolwesibini, 5 kweyoKwindla 2024 ngo-10:00	Iziko leNgqungquthela, i-Military Rd, i-Central
5.	Ngolwesine, 7 kweyoKwindla 2024 ngeye-10:00	Feather Market Centre (Gqeberha)
6.	Ngolwesibini, 12 kweyoKwindla 2024 ngeye-10:00	Iziko leNgqungquthela, i-Military Rd, i-Central

Amalungu oluntu amkekilele ukuba aye kuyo nayiphi na intlanganiso ye-MPAC ecwangcisiweyo njengababekeli.

IRef. 11 – 9 kweyoMdumba 2024

Phantsi kwesandla somlawuli wesiXeko, uGqirha Noxolo Nqwazi

SISONKE SINGAZIKHETHELA UKUPHILA UBOMI BOKONGA AMANZI

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NOTICE

DRAFT 2022/23 ANNUAL REPORT AND 2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT OPEN FOR INSPECTION

The Draft 2022/23 Annual Report and the 2023/24 Mid-Year Budget and Performance Assessment Report of the Nelson Mandela Bay Metropolitan Municipality was tabled in Council on 31 January 2024. The Draft 2022/23 Annual Report was subsequently referred to the Municipal Public Accounts Committee (MPAC) for review. The Municipality hereby invites comments from the public on the Draft 2022/23 Annual Report in terms of Section 127(5)(a)(i) of the Local Government: Municipal Finance Management Act, No. 56 of 2003.

Copies of the Draft 2022/23 Annual Report and 2023/24 Mid-Year Budget and Performance Assessment Report are available for inspection at all municipal libraries and Customer Care Centres, as well as on the municipal website: www.nelsonmandelabay.gov.za.

Any comments on the Draft 2022/23 Annual Report and the 2023/24 Mid-Year Budget and Performance Assessment Report should be submitted to the Office of the City Manager (attention: Chief Operating Officer) at PO Box 116, Gqeberha, 6000 or e-mail coo@mandelametro.gov.za by no later than **MONDAY, 26 FEBRUARY 2024**.

The schedule of meetings of the Municipal Public Accounts Committee where the Draft 2022/23 Annual Report will be discussed, is as follows:

NO	DATE OF MEETING AND TIME	VENUE
1.	Tuesday, 13 February 2024 at 10:00	Conference Centre, Military Rd, Central
2.	Tuesday, 20 February 2024 at 10:00	Conference Centre, Military Rd, Central
3.	Friday, 23 February 2024 at 10:00	Conference Centre, Military Rd, Central
4.	Tuesday, 5 March 2024 at 10:00	Conference Centre, Military Rd, Central
5.	Thursday, 7 March 2024 at 10:00	Feather Market Centre (Gqeberha)
6.	Tuesday, 12 March 2024 at 10:00	Conference Centre, Military Rd, Central

Members of the public are welcome to attend any of the scheduled MPAC meetings as observers.

Ref. 11 – 9 February 2024

Under the hand of the City Manager, Dr Noxolo Nqwazi

TOGETHER WE CAN ADOPT A WATER-SAVING LIFESTYLE

SONDLO & KNOPP ADVERTISING

nelson mandela bay MUNICIPALITY | **NOTICE**

DRAFT 2022/23 ANNUAL REPORT: PUBLIC HEARING

Notice is hereby given in terms of Section 130(1) of the Local Government: Municipal Finance Management Act (No. 56 of 2003) and Section 16 of the Local Government: Municipal Systems Act (No. 32 of 2000), that the Nelson Mandela Bay Municipality will be conducting a public hearing on the Draft 2022/23 Annual Report.

All stakeholders and community members are cordially invited to attend the public hearing as follows:

DATE	VENUE	TIME
15 March 2024	Feather Market Centre, 86 Baakens St, Central, Gqeberha, 6001	10:00

Enquiries regarding this notice must be directed to Mr J. Tutu at 041 505 4543 or 079 490 0063.

Ref. 23 - 12 March 2024

Under the hand of the Acting City Manager, Mr L. Magalela

TOGETHER WE CAN ADOPT A WATER-SAVING LIFESTYLE

nelson mandela bay MUNICIPALITY | **ISAZISO**

INGXELO YONYAKA KA-2022/23: IZIMVO ZOLUNTU

Isaziso sinikwa apha ngokweCandelo 130(1) loMthetho woLawulo lweMali kaMasipala: onguNombolo 56 ka-2003 kunye neCandelo 16 loMthetho woRhulumente weNingqi: iNkqubo zikaMasipala (No. 32 ka-2000), ukuba uMasipala iNelson Mandela Bay uza kuzibona i-inkqubo yoluntu malunga noYilo lweNkqubo yonyaka ka-2022/23.

Bonke abachaphazelekayo kunye namalungu asekuhlaleni bayaminywa ngokuzithoba ukuba baye kuluvo loluntu ngokwale ndlela ilandelayo:

UMHLA	INDAWO	IXESHA
15 kweyoKwindla 2024	Feather Market Centre, 86 Baakens Stalato, Central, Gqeberha, 6001	10:00

Imibuzo emalunga nesi saziso ingabhekiswa kuMnu J. Tutu kule nombolo: 041 505 4543 okanye 079 490 0063.

Ref. 23 - 12 eyoKwindla 2024

Ngaphantsi kwesandla soMphathi weSixeko oBambeleyo, uMnu L. Magalela

SISONKE SINGAZIKHETHELA UKUPHILA UBOMI BOKONGA AMANZI

The Herald

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Buses handed over to 10 special needs schools

Sivenathi Gosa

School principals from several special schools in the province gathered at the Mandla Makupula Institute in Stirling, East London, yesterday afternoon to receive buses from the department of education.

The 10 special schools received 23-seater buses.

The vehicles were handed to schools in Nelson Mandela Bay and the district municipalities of Chris Hani, Alfred Nzo, OR Tambo, Joe Gqabi and Sarah Baartman.

The principal of Zamokuhle Special School in Bizana, Phumla Mndela, said: "We are truly grateful.

"The bus is going to make a huge difference in our school as all of our 149 pupils depend on transport home."

She said this was their second bus, as they had received one in 2019.

"Transport is a resource in schools, and we are happy that our children will arrive at school on time and transport will not affect their learning any more. We have received computers, books and learning systems."



WELCOME GIFT: Nompumalanga special school principal Jay Mqhakama with Education MEC Fundile Gade in East London yesterday. Picture: SINO MAJANGAZA

The school is in a rural area and is for children with sight challenges from grade R to grade 12.

The class of 2023 achieved a 100% matric pass rate.

"Our pupils show dedication and hard work and our teachers are always willing to extend themselves to ensure the pupils get the education they deserve," Mndela said.

Khanyisa Special School SGB chair Lizo Kililizwe, from

the deep rural town of Cala in the Chris Hani district, was elated to receive another bus, as their first bus is now unroadworthy.

"We have pupils coming from Cofimvaba, Butterworth and even further afield, all of them depending on transport.

"Now our 190 pupils will be able to get safely to school and home," he said.

The vehicles are specially designed for pupils with spe-

cial needs, equipped for different kinds of disabilities.

The vehicle handover programme started five years ago, just before the 2019 general elections, when 30 buses were given to special schools.

Education portfolio committee chair Mpumelelo Saziwa urged the department to ensure the vehicles could cope with gravel roads, as most of the schools in the province were in rural areas.

"We request that servicing of the buses is consistent," Saziwa said.

"We want all schools included, and not have special schools excluded in any programmes."

Education MEC Fundile Gade said the campaign was not just about buses but about how to redefine the diverse nature of society.

"We do not want to put the lives of the children at risk in these buses as there are some volatile activities within the public transport system," he said.

He was concerned that the new buses could be a threat to public transport.

"We have spoken with the taxis and public transport system, so that they are aware of this campaign.

"The lives of people are more important than money.

He said the transport department would check the vehicles at regular intervals so that they did not get stuck in government garages.

Gade said the department had 15 more schools still to benefit from the bus handover campaign. — Dispatch

to miss, as they braved the sandy budget of R5 million toward the reali-



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Ref. 23

RETRACTION

The Nelson Mandela Bay Municipality hereby retracts the advert placed in the PE Express of 6 March 2024 in respect of applications to serve on the Disciplinary Board.

Ref. 24 – 13 March 2024

Under the hand of the Acting City Manager, Mr L. Magalela

TOGETHER WE CAN ADOPT A WATER-SAVING LIFESTYLE

the Eastern Cape,” says Eastern Cape MEC for Finance, Economic Development, Environmental Affairs and Tourism, Mlungisi Mvoko.

“This is why the R10million Memorandum of Agreement between the ECDC and MBDA is critical in our film sector support packages. This strategic partnership is designed to lobby private and public partnership investments to establish a film studio and related facilities in the Nelson Mandela Bay Metropolitan Municipality. Provincial government has availed financial support through ECDC to make sure that film studios come into reality for the benefit of our local creatives.”

Mvoko added that although in its infancy, the film sector holds exciting growth prospects. Through its agencies, government is strengthening the province’s value proposition as a compelling film investment destination, with several sector-specific development tools.

Through the ECDC in particular, government has shone a spotlight on the sector by developing localisation sup-

port. ECDC chief executive officer, Ayanda Wakaba, said that since 2018 the ECDC has invested R39million into 25 film productions on behalf of government. In turn, this funding has attracted an investment revenue of R499million into the Eastern Cape, while creating short-term employment for 8 400 people, with the majority being young people. In addition, a total of 690 local small businesses have benefitted from these productions being produced in the province.

“Developed infrastructure is critical for the growth of the industry. For the Eastern Cape film industry, infrastructure development encompasses a wide range of activities which are aimed at the establishment of the necessary physical infrastructure for production film studios and equipment hire companies. High production costs are still the main stumbling block in increasing the output of the Eastern Cape film industry, as most filmmakers do not have the upfront production cost funding needed to begin filming,” Wakaba explained.

“The most pressing challenge that the

utive officer, Anele Qaba.

“For example, people would find it hard to shoot here as they had to bring truckloads of production equipment, which is a costly exercise for national and international film makers.

“In addition, the value ads, the editing, and final production would need to be sent out of town, creating value elsewhere, also migrating all the skills to other centres.

“We want the full value chain to remain in our city to improve job creation, revenue generation, and all related benefits, such as tourism growth through extended stays and spend in the city.

“The MBDA is committing the Aberdeen’s building into this agreement as the first hub for Film Industry Infrastructure support. Our teams have just returned from a fact-finding mission around the country, and in the coming days we will unpack learnings from that trip and develop our own unique operating model with input from industry players,” Qaba concluded.

APPENDIX “C”:

Comments by the Auditor-General

Number	Page reference number to annual report	Correction required	Classification	Response from management
1	212 - 236	Text with strikethrough formatting - is this retained in this format for the final annual report ? Also, references made to changes effected as well as old vs new detail - is this retained in the final annual report ? (applies to KPIs 2, 3, 4 and 36).	Clarity required	Finding is noted and will be addressed in the final Draft
2	Volume III	Entire audit report to be replaced - please refer to email dated 7th February will	Compulsory	Noted
3	Page 11- Electricity loss	Electricity loss percentage does not agree to final audited AFS figures. This applies to all places where electricity losses % are referred to	Compulsory	Updated B&T submission of 07/12/2023 which agrees to Note 35.10 of AFS
4	Page 12- Water loss	Water loss percentage, megalitres and amount does not agree to final audited AFS figures. This applies to all places where water losses % are referred to	Compulsory	Updated B&T submission of 07/12/2023 which agrees to Note 35.9 of AFS
5	Page 10- 1.4 FINANCIAL HEALTH OVERVIEW	Please provide calculation breakdown of the amounts quoted as figures of operating revenue and expenditure "R17,082 billion and R16,430billion".. Cant seem to tie to audited AFS	Clarity required	It must be noted that table 1.8 of the 07/12/2023 submission indicates how the R17,094 (amended from R17,082) billion was arrived at. Furthermore, the note under the consolidated statement of financial performance indicates that Capital Transfers and Subsidies of R1,478 billion must be subtracted from Operating revenue. The total operating revenue of R18,573 billion as per the Consolidated Statement of Financial Performance less the Capital Transfers and Subsidies of R1,478 billion would thus give you the R17,094 billion as stated under the heading "Financial Performance"
6	Page 10- Electricity revenue	"Electricity revenue raised amounted to R4,551 billion" how was the figure derived? Cannot link to audited figures	Clarity required	Updated B&T submission of 07/12/2023
7	Page 10- Water revenue	"Water revenue raised amounted to R4,882 billion" how was the figure derived? Cannot link to audited figures	Clarity required	Updated B&T submission of 07/12/2023
8	Page 14 TABLE 1.7: Property rates and services revenue and Page 281	Figures on the table do not seem to agree to audited AFS figures	Clarity required	Updated B&T submission of 07/12/2023
9	Page 16: 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW	It indicates that " <i>Furthermore, at 30 June 2023, seven (7) of the 11 senior managerial positions in terms of Section 56 of the Local Government: Municipal Systems Act, No.32 of 2000 were filled, and four (4) positions were vacant. The vacant positions are the Executive Director: Sport, Recreation, Arts and Culture, Executive Director: Infrastructure and Engineering, Executive Director: Safety and Security as well as the Executive Director: Economic Development Agriculture and Tourism</i> " Question: Was there not an approved creation of an additional Senior Manager position making the total 12? ED: Roads and Transport?	Clarity required	Finding is noted and will be addressed in the final Draft
10	Volume III	Audit report where marked with Or XX there should be page numbers	Compulsory	Noted