



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



OVERSIGHT REPORT

ON

2018/19 ANNUAL REPORT

TABLE OF CONTENTS

FOREWORD BY THE CHAIRPERSON OF MPAC	1
1. PURPOSE	3
2. INTRODUCTION	4
3. COMPOSITION OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	5
4. TIME CONSIDERATIONS	6
5. LEGAL FRAMEWORK.....	7
6. PUBLIC PARTICIPATION IN THE OVERSIGHT PROCESS	7
7. OVERSIGHT COMMITTEE RECOMMENDATIONS	9
8. OVERSIGHT COMMITTEE RECOMMENDATIONS FROM 2017/18 OVERSIGHT REPORT NOT IMPLEMENTED	30
9. OVERSIGHT COMMITTEE RESOLUTIONS:	30

APPENDICES:

APPENDIX "A":	Minutes of Oversight Committee (Municipal Public Accounts Committee) meetings
APPENDIX "B":	Advertisements/Invitations to the public to comment on the 2018/19 Annual Report

FOREWORD BY THE CHAIRPERSON OF MPAC

The Nelson Mandela Bay Municipality has a functional Municipal Public Accounts Committee (MPAC) which provides the appropriate mechanism through which Council can fulfil its oversight responsibilities. MPAC's role is to consider the Annual Report, receive inputs from various role-players and prepare a draft Oversight Report for consideration by Council, in line with Section 129 of the Local Government: Municipal Finance Management Act (MFMA), No. 56 of 2003.

The Draft 2018/19 Annual Report of the Nelson Mandela Bay Municipality was tabled in Council for consideration on 30 January 2020, which was subsequently referred to the MPAC for interrogation. This Oversight Report presents the concerns and recommendations by the MPAC in respect of the Draft 2018/19 Annual Report. The MPAC held its meetings on the following dates:

- Tuesday, 18 February 2020
- Tuesday, 25 February 2020
- Thursday, 16 July 2020
- Tuesday, 21 July 2020
- Thursday, 30 July 2020
- Tuesday, 18 August 2020

The MPAC could not conclude its oversight role on the Draft 2018/19 Annual Report within the MFMA specified period (i.e. 30 January 2020 – 31 March 2020) due to the following reasons:

- The final draft Annual Report was tabled later this year, as the finalization of the 2018/19 Auditor-General's Report was delayed. The Auditor-General's Report is generally received by early December of the preceding year, however, the 2018/19 Report was received in February 2020.
- The nation-wide lockdown which was implemented on 27 March 2020 with restrictions only eased from 01 June 2020.

The Draft 2018/19 Annual Report of the Nelson Mandela Bay Municipality was assessed by all MPAC members during the above-mentioned meetings. Due to COVID-19 enforced lockdown and subsequent workplace regulations around gatherings, person meetings were restricted and alternative virtual solutions had to be adopted. This led the MPAC opening its meetings to be attended virtually, through videoconferencing.

The oversight process included a page by page scrutiny of the Annual Report and sessions to raise questions and concerns by MPAC members. Whilst there were improvements in certain key performance areas, the MPAC noted unsatisfactory performance in some areas, as reflected in the Oversight Report. The Municipality experienced an overall performance decline from 57% (in 2017/18) to 51% (in 2018/19). As a result, the MPAC has raised concerns and made recommendations on a number of issues that require immediate intervention by the Council.

The MPAC will continue to monitor the implementation of the recommendations included in the 2018/19 Oversight Report through its Quarterly Reports. Implementation in respect of outstanding areas in previous Oversight Reports will also be continuously monitored.

The MPAC is of the opinion that its recommendations in terms of the Draft 2018/19 Annual Report could improve the current audit position of the Municipality if they are fully implemented by both Council and the administration.

I would like to extend my sincere gratitude to the members of MPAC for their relentless commitment in ensuring that this report was compiled amidst the COVID-19 pandemic. I would equally like to thank the administration for their cooperation and support in the oversight process.



COUNCILLOR P F TSHANGA
CHAIRPERSON OF MPAC

1. PURPOSE

The Nelson Mandela Bay Municipality prepared its 2018/19 Annual Report in accordance with its key performance areas. The purpose of the Annual Report is to account to the communities in the Nelson Mandela Bay in terms of the Local Government: Municipal Finance Management Act (MFMA) of 2003, and the Municipal Systems Act (MSA) of 2000.

As part of the annual reporting process, the Municipal Public Accounts Committee is required to interrogate the contents of the Annual Report and make recommendations to Council for consideration. The process of interrogation culminates in the development of an oversight report. This Oversight Report is a product of the Municipal Public Accounts Committee's deliberations on the Draft 2018/19 Annual Report.

The Oversight Report is adopted by Council after MPAC has fulfilled the following tasks:

- undertaking a review and analysis of the Annual Report;
- inviting, receiving and considering inputs from Councillors and Support Committees;
- consideration of written comments received on the Annual Report through public consultation processes;
- consideration of the views and inputs of the public, representatives of the Auditor-General, organs of state and Council's Audit Committee.

2. INTRODUCTION

The Municipal Public Accounts Committee is mandated by Council to perform an oversight role on the Draft 2018/19 Annual Report. A number of meetings were held to discuss the overall performance of the Municipality as indicated in the Draft 2018/19 Annual Report. The MPAC could not conclude its oversight role on the Draft 2018/19 Annual Report within the MFMA specified period (i.e. 30 January 2020 – 31 March 2020) due to the late receipt of the 2018/19 Auditor-General's Report coupled with the nation-wide lockdown which was implemented on 27 March 2020 with easing of restrictions on business meetings and gathering from 01 June 2020.

The process of drafting the Annual Report is guided by the Municipal Finance Management Act (MFMA), Municipal Systems Act (MSA) and National Treasury Circulars. In adhering to these pieces of legislation, the municipal administration submitted the Draft 2018/19 Annual Report to Council for consideration on 30 January 2020. This process was followed by interrogation of the Annual Report by the MPAC and the preparation of this Oversight Report.

The main components of the Draft 2018/19 Annual Report submitted to Council were the following:

- The 2018/19 Annual Performance Report, as required in terms of Section 46 of the Municipal Systems Act (MSA).
- The 2018/19 Annual Financial Statements submitted to the Auditor-General.
- The 2018/19 Auditor-General's Audit Report on the financial statements and programme performance in terms of Section 126 (3) of the MFMA and 45 (b) of the MSA respectively.
- The 2018/19 Audit Committee's Report.

3. COMPOSITION OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

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

The MPAC membership is constituted as follows, proportionally representing the political parties in Council:

TABLE 1: COMPOSITION OF MPAC

NO	NAME	POLITICAL AFFILIATION
1	Councillor P F Tshanga (Chairperson)	Economic Freedom Fighters
2	Councillor N P Antoni	African National Congress
3	Councillor R N Captain	African National Congress (Whip)
4	Councillor C Garai	Democratic Alliance
5	Councillor M Gidane	African National Congress
6	Councillor L P Grootboom	African Christian Democratic Party (Whip)
7	Councillor M E Mbelekane	African National Congress
8	Councillor M K Mogatosi	Democratic Alliance
9	Councillor H Muller	Democratic Alliance
10	Councillor S L Ncana	Economic Freedom Fighters (Whip)
11	Councillor L Nombola	African National Congress
12	Councillor S Soyese	Democratic Alliance
13	Councillor M G Steyn	Democratic Alliance (Whip)
14	Councillor T F Tshangela	United Democratic Movement (Whip)
15	Vacancy	Democratic Alliance

4. TIME CONSIDERATIONS

4.1 Meeting Schedule

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.

In developing the 2018/19 Oversight Report, the MPAC complied with relevant legislative prescripts, except the extension of its timelines due to the implementation of a nation-wide lockdown.

The meeting schedule of the Municipal Public Accounts Committee from 18 February 2020 to 18 August 2020 is outlined below:

TABLE 2: MPAC MEETING SCHEDULE

DATE	TIME	VENUE	FOCUS AREA
18 February 2020	10:00	Woolboard, Military Road	Adoption of Roadmap
25 February 2020	10:00	Woolboard, Military Road	2018/19 Audit Committee Report (Volume IV – Annual Report)
16 July 2020	10:00	Woolboard, Military Road and Virtually on Microsoft Teams due to Covid-19	Adoption of Covid-19 adjusted Roadmap MBDA Reports
21 July 2020	10:00	Woolboard, Military Road and Virtually on Microsoft Teams due to Covid-19	Auditor General's Report (Volume III – Annual Report) Annual Financial Statements (Volume II) Selected Directorates: - Chief Operating Officer - Budget and Treasury - Corporate Services - Public Health - Internal Audit - Risk Management
30 July 2020	10:00	Woolboard, Military Road	Selected Directorates:

DATE	TIME	VENUE	FOCUS AREA
			<ul style="list-style-type: none"> - Human Settlements - Safety and Security - Infrastructure and Engineering - Electricity and Energy
18 August 2020	10:00	Woolboard, Military Road	Selected Directorates: <ul style="list-style-type: none"> - SRAC - EDTA

5. LEGAL FRAMEWORK

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 subsequent drafting of 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.

The preparation of the 2018/19 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 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.

6. PUBLIC PARTICIPATION IN THE 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.

As a result of COVID-19 and in terms of the Disaster Management Act, the National Government issued directives that affected the normal procedure of conducting public participation. In this regard, in person meetings were restricted and alternative virtual solutions had to be adopted. This affected public participation programmes in respect of the 2018/19 oversight process. However, the Municipality undertook the following initiatives to promote public participation in the oversight process:

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 24 February 2020 to submit comments on the Draft 2018/19 Annual Report to the Municipality through the Office of the Chief Operating Officer. Due to the National Lockdown and COVID-19 implications, the oversight process was delayed to allow residents to make comments. A relevant advert was published in the local print media on 9 July 2020.
Make public all meetings of Council's Oversight Committee that will consider the Annual Report	Done	All MPAC meetings convened to consider the Draft 2018/19 Annual Report were advertised in the local media on 24 February 2020.

MECHANISM TO PROMOTE PUBLIC PARTICIPATION	STATUS	COMMENTS
		In order to comply with social distancing measures in an attempt to curb the spread of Covid-19, meetings of the MPAC were not open to the public. The public was, however, provided with a further opportunity to submit comments on the Draft 2018/19 Annual Report to the Municipality through the Office of the Chief Operating Officer.
Representatives of the Auditor-General invited to meetings of Council that will consider Annual Report	Done	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.	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)

7. OVERSIGHT COMMITTEE RECOMMENDATIONS

The discussions and recommendations of MPAC were presented in accordance with the areas identified below.

Area 1 Audit Committee Report

Area 2 MBDA Report

Area 3 Auditor-General's Report and Annual Consolidated Financial Statements

Area 4 Directorate based Interrogation (Including interrogation of Performance Scorecards):

TIMEFRAME CONSIDERATIONS

The Committee was unable to include timeframes for the implementation and report back on its recommendations due to the suspension of the 2020 Council Calendar of meetings as per the Circular issued by the Speaker on 6 August 2020. All planned meetings of Committees of Council for the remainder of the 2020 calendar year have been suspended.

However, the Committee has agreed on the dates as indicated in the timeframes below and will be arranging special ordinary and quarterly report meetings to monitor the implementation of its recommendations.

7.1 AREA 1: AUDIT COMMITTEE REPORT

AREA 1	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
AUDIT COMMITTEE REPORT (Internal Financial Control And Internal Audit)	1	The Committee raised a concern in respect of underperformance by Internal Audit in respect of addressing high-risk audit findings.	(a) That a comprehensive Audit Action Plan incorporating all the elements of concern and the required actions by the Executive Management including consequence management be submitted to the next ordinary meeting of MPAC. (b) That Audit matters be prioritised and compliance in respect of reporting regularly to MPAC be adhered to.	Office of the City Manager (Internal Audit and Risk Assurance)	29 October 2020
		Lack of Accountability within the Municipality.	(a) That an accountability framework agreed upon by all senior officials with a view to holding each other accountable of their actions be submitted to the next ordinary meeting of MPAC.	Office of the City Manager	29 October 2020
		Absence of consequence management where officials have failed to execute tasks related to their job descriptions.	(a) That accountability measures be put in place to allow the Accounting Officer to deal with Senior Officials who are underperforming and those who fail to perform against their key performance indicators.	Office of the City Manager	29 October 2020
		Slow Supply Chain processes hampering service delivery.	(a) That the Senior Director: Supply Chain Management submits a comprehensive report on all tenders that are not awarded to the next ordinary meeting of MPAC. The Report should indicate the following: <ul style="list-style-type: none"> ○ Tender advertisement date. ○ Tender evaluation date. ○ Tender adjudication date. ○ Reason(s) for delays in award. 	Office of the Senior Director: Supply Chain Management	29 October 2020

AREA 1	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL	TIMEFRAME
AUDIT COMMITTEE REPORT (Auditor General – External Audit)	2	A concern was raised regarding the resistance by officials in cooperating with the Auditor General.	That the Office of MPAC investigates which directorates of the NMBM resisted to cooperate with the Auditor General and revert back to the Committee at its next ordinary meeting.	Office of the Chairperson (MPAC)	29 October 2020
AUDIT COMMITTEE REPORT (Combined Assurance & Forensic Investigations)	3	Long outstanding Forensic Investigations were of serious concern.	(a) That the Acting City Manager submits a comprehensive report with a list of all the outstanding Forensic Investigations from the year 2013 and that the report should include details on costs incurred in instances where matters have been outsourced at the next ordinary meeting of MPAC. (b) That the Chairperson of MPAC arranges a closed session between the Acting City Manager and MPAC members with a view to establishing and understanding reasons for reassigning the Forensic Department to the Office of the City Manager.	Office of the City Manager Office of the Chairperson (MPAC)	29 October 2020 29 October 2020
AUDIT COMMITTEE REPORT (Risk Management and Corporate Governance)	4	The Committee expressed serious concerns in respect of the Municipality not being mSCOA compliant.	(a) That the Acting City Manager submits a comprehensive report in respect of the implementation of mSCOA and challenges thereof at the next ordinary meeting of MPAC. (b) That mSCOA be implemented as a matter of urgency.	Office of the City Manager	29 October 2020

AREA 1	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL	TIMEFRAME
			(c) That mSCOA Project Manager be appointed with clear key performance indicators.		
AUDIT COMMITTEE REPORT (Performance Management and Evaluation)	5	The delays in respect of performance reviews were of serious concern.	(a) That the Acting City Manager submits a report explaining the reasons for the delays in respect of performance reviews and indicates what measures have been put in place to avoid recurrence of the problem.	Office of the City Manager	8 December 2020
AUDIT COMMITTEE REPORT (IT Governance)	6	The Municipality has no IT Specialist.	(a) That the Acting City Manager ensures that the appointed IT Specialist commences duty as soon as possible.	Office of the Executive Director: Corporate Services	29 October 2020
AUDIT COMMITTEE REPORT (Legal and Policy Compliance)	7	The ineffectiveness of the Legal Services Department was of serious concern.	(a) That the Director: Legal Services submits a comprehensive report in respect of the operations in the Legal Services Department to the next ordinary meeting of MPAC. The Report should include the following: <ul style="list-style-type: none"> ○ How much it costs the Municipality to run the Department annually. ○ The structure of the Department and permanent officials within the Department. ○ The challenges facing the Department. ○ A list of all service providers utilized on outsourced matters. 	Office of the Director: Legal Services	29 October 2020

AREA 1	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL	TIMEFRAME
AUDIT COMMITTEE REPORT (Effective Governance)	8	The Committee raised a concern in respect of the status of the Municipality's Disciplinary Board.	(a) That the Acting City Manager submits a detailed report in respect of the establishment of the NMBM's Disciplinary Board and that the report incorporates Council resolutions related to the establishment thereof at the next ordinary meeting of MPAC.	Office of the City Manager	29 October 2020
	9	<p>The Committee raised a concern in respect of the non-implementation of Standard Operating Procedures (SOP) for Property, Plant and Equipment (PPE) by directorates.</p> <p>The Committee noted that implementing the PPE related SOP was provided as an action to address the PPE qualification from 2017/2018, and in 2018/2019 the implementation of an SOP is again provided as an action to address the qualification.</p>	<p>(a) That a report concerning SOPs be submitted by affected directorates at the next ordinary meeting of MPAC.</p> <p>(b) That the MPAC Chairperson investigates directorates that did not comply with SOPs, the reasons for their non-compliance and at what areas of non-compliance and submit a report at the next ordinary MPAC meeting.</p> <p>(c) That the questions for non-compliance with SOPs be sent to Directorates for their responses.</p>	<p>Office of the City Manager</p> <p>Office of the Chairperson: MPAC</p> <p>Office of the City Manager</p>	<p>29 October 2020</p> <p>29 October 2020</p> <p>29 October 2020</p>

7.2 AREA 2: MANDELA BAY DEVELOPMENT AGENCY REPORT

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL	TIMEFRAME
MBDA REPORT	10	<p>It was established that the month-to-month agreement in respect of the Nelson Mandela Bay Stadium operation poses a challenge in generating sponsor income.</p> <p>The Committee raised a concern regarding the lack of a strategy by the Mandela Bay Development Agency to generate income.</p>	(a) That NMBM extends the lease contract between MBDA and the NMB Stadium by 12 months subject to reviewal every six months.	Office of the City Manager	29 October 2020
			(b) That the MBDA submits a comprehensive report regarding the management of the stadium in order for Council to make an informed decision as per (a) above.	Office of the Chief Executive Officer: MBDA	29 October 2020
			(c) That a Strategic Workshop in be arranged in order for the management of the Stadium to be discussed by all relevant role players, including the MPAC	Office of the Chief Executive Officer: MBDA	30 November 2020
			(d) That the MBDA acquires naming rights for the Stadium as part of income generating strategy.	Office of the Chief Executive Officer: MBDA	29 October 2020
			(e) That the existing Board of Directors of the MBDA continue operating for a further 3 months as an Interim Board of Directors.	Office of the Interim Executive Mayor	29 October 2020

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL	TIMEFRAME
MBDA REPORT (Continued)		The Committee further raised concerns around security at Council meetings.	<p>i. That the advert for MBDA Board be approved by Council in the first instance, and then re-advertised</p> <p>ii. That MBDA Board members and Board Committees be approved by Council.</p>		29 October 2020
	<p>(f) That the Executive Director: Economic Development, Tourism and Agriculture prepares a comprehensive report in respect of the MBDA Board of Directors clarifying reasons for its dissolution by the Acting Executive Mayor and submit same to the next ordinary meeting of MPAC.</p>		Office of the Executive Director: Economic Development, Tourism and Agriculture	29 October 2020	
	<p>(g) That the MBDA's income generating strategies be submitted to the quarterly meetings of MPAC.</p>		Office of the Chief Executive Officer: MBDA	8 December 2020	
	<p>(h) That a report on job evaluation at MBDA forms part of MPAC's quarterly reports.</p>		Office of the Chief Executive Officer: MBDA	8 December 2020	
	<p>(i) That development of the new Council Chamber be prioritized and that same should be highly secured.</p>		Office of the Chief Executive Officer: MBDA	8 December 2020	
	11	Non-payment of funds to the MBDA.	(a) That the Acting City Manager ensures smooth flow of budget allocation to MBDA in order to avoid hampering its projects.	Office of the City Manager	29 October 2020

AREA 2	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL	TIMEFRAME
	12	Projects that did not reach targets.	<p>(a) That the MBDA ensures viability of projects prior setting targets and that key performance indicators are aligned accordingly.</p> <p>(b) That a table detailing all the projects of the MBDA with costs and timeframes, form part of MPAC's quarterly reports.</p>	Office of the Chief Executive Officer: MBDA	<p>29 October 2020</p> <p>8 December 2020</p>

7.3 AREA 3: AUDITOR-GENERAL'S REPORT AND ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

AREA 3	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL	TIMEFRAME
AUDITOR-GENERAL'S REPORT AND ANNUAL CONSOLIDATED FINANCIAL STATEMENTS	13	The Committee raised the following concerns:			
		(a) No consequence management for responsible officials as reflected in the Auditor General report.	(a) That the Acting City Manager implements consequence management for non-performance by responsible directorates as reflected in the Auditor-General's report.	Office of the City Manager	8 December 2020
		(b) Outdated filing system being used by the Municipality.	(b) That an automated filing system be implemented by the Municipality as a matter of urgency.	Office of the Executive Director: Corporate Services	8 December 2020
		(c) Supply Chain Management does not have systems in place for procuring goods and services.	(c) That the Head of Supply Chain Management submits a comprehensive report on the process of procuring goods and services and the systems being used to the next ordinary meeting of MPAC.	Office of the Senior Director: SCM	29 October 2020
		(d) Lack of progress in the implementation of IPTS.	(d) That National Treasury be requested to submit a report on the progress made in terms of IPTS implementation to the next ordinary meeting of MPAC.	Office of the Executive Director: Infrastructure and Engineering	29 October 2020
(e) Abuse of deviation in Supply Chain processes.	(e) That the abuse of deviation in the procurement of goods and services be investigated and a report submitted to MPAC.	Office of the Director: Internal Audit	8 December 2020		

AREA 3	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL	TIMEFRAME
AUDITOR-GENERAL'S REPORT AND ANNUAL CONSOLIDATED FINANCIAL STATEMENTS		(f) Human resources management challenges.	(f) The Human Resources Sub-directorate should be separated from the Corporate Services Directorate and be regarded as an independent Directorate.	Office of the Executive Director: Corporate Services	8 December 2020
		(g) Asset management challenges – concerns were raised over correctness of the Asset Register, as the Auditor – General noted that not all land and infrastructure assets were included in the asset register.	(g) That a report on Asset Management and the Asset Register of the Municipality be submitted to the next ordinary meeting of MPAC, detailing: <ul style="list-style-type: none"> - the process of incorporating assets and land into the asset register - The roles of Human Settlements and Corporate Services in respect of leases of land and buildings - The number and details of land and buildings owned by the municipality - 	Office of the Executive Director: Corporate Services (Asset Management Unit)	29 October 2020
		(h) Lack of capacity within the Internal Audit and Risk Assurance Unit	(h) That Internal Audit vacancies be filled as a matter of urgency.	Office of the City Manager	8 December 2020
			The MPAC further made the following recommendations to address the issues raised in the Auditor-General's Report: (i) That timeframes be set for the proposed remedies to the concerns raised by the Auditor-General.	Office of the City Manager	8 December 2020

AREA 3	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL	TIMEFRAME
AUDITOR-GENERAL'S REPORT AND ANNUAL CONSOLIDATED FINANCIAL STATEMENTS (Continued)			(j) That the Acting City Manager implements the Audit Action Plan as presented by the Auditor General and presents progress report to the quarterly meetings of MPAC.	Office of the City Manager	8 December 2020
	(k) That a standard reporting format for the Audit Action Plan be developed for MPAC reports.	Office of the City Manager	8 December 2020		
	(l) That MPAC and Audit Committee monitor implementation of the Audit Action Plan through their quarterly meetings.	Chairperson: MPAC Chairperson: Audit Committee	8 December 2020		
	(m) That the Acting City Manager submits progress report on the implementation of the Audit Action Plan to Council for oversight.	Office of the City Manager	29 October 2020		
	(n) That the Chief Financial Officer submits progress reports on implementation of the ATTP Policy to MPAC quarterly meetings.	Office of the Chief Financial Officer	8 December 2020		
	(o) That the current ATTP policy be reviewed to address loopholes.	Office of the Chief Financial Officer Council	8 December 2020		
	(p) That a site visit be arranged to SCM in order for the Committee to obtain first – hand information on the state of the unit.	Office of the MPAC Chairperson	Before 30 November 2020		

AREA 4: DIRECTORATE BASED INTERROGATION (INCLUDING INTERROGATION OF PERFORMANCE SCORECARDS)

AREA 4	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL	TIMEFRAME
DIRECTORATE BASED INTERROGATION (Public Health)	14	The Committee raised a concern regarding the poor state of buildings used as clinics in the Municipality.	(a) That the Executive Director: Public Health submits a Strategic Plan on how the quality of clinics can be improved (in collaboration with the Provincial Health Department) to the next ordinary meeting of MPAC. (b) That the Executive Director: Public Health identifies which buildings/clinics belong to the Municipality and submits a report to Council. (c) That the Executive Director: Public Health reviews the ownership agreement of clinics between the Municipality and Provincial Health Department.	Office of the Executive Director: Public Health	29 October 2020 8 December 2020 8 December 2020
	15	Fencing of cemeteries	(a) That the Executive Director: Public Health submits a comprehensive report on cemeteries indicating the number of cemeteries fenced and those that are not fenced as well as plans to fence all cemeteries in the Municipality.	Office of the Executive Director: Public Health	8 December 2020
	16	The lack of safety measures at Arlington Tip Site was raised by the Committee	a) That the Executive Director: Public Health submits a plan to enhance security (including fencing and deployment of security officers) at the Arlington Tip Site to the next ordinary meeting of MPAC.	Office of the Executive Director: Public Health	29 October 2020

AREA 4: DIRECTORATE BASED INTERROGATION (INCLUDING INTERROGATION OF PERFORMANCE SCORECARDS)

AREA 4	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL	TIMEFRAME
DIRECTORATE BASED INTERROGATION (Corporate Services)	17	Lack of information in respect of progress made in finalising disciplinary cases.	<p>(a) That the Acting Executive Director: Corporate Services submits quarterly reports on the progress made in finalising disciplinary cases to MPAC. The report should include the following:</p> <ul style="list-style-type: none"> • Current state/progress of disciplinary cases. • Amount of salaries paid to suspended employees. • Amount of acting allowance paid to acting employees whilst the incumbent was on suspension. • The amount of legal fees incurred to date. • The date of next action in each case. 	Office of the Executive Director: Corporate Services	8 December 2020

AREA 4	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL	TIMEFRAME
DIRECTORATE INTERROGATION Settlements)	18	Land invasion	(a) That the Acting Executive Director: Human Settlements submits a strategy to address land invasion to the next ordinary meeting of MPAC.	Office of the Executive Director: Human Settlements	29 October 2020
	19	Beneficiaries occupying houses without title deeds.	(a) That the Acting Executive Director: Human Settlements submits a report indicating backlog of title deeds including an action plan to address title deeds backlog to the next ordinary meeting of MPAC.	Office of the Executive Director: Human Settlements	29 October 2020
	20	Slow implementation of Social Housing Projects.	(a) That the Acting Executive Director: Human Settlements submits a progress report on the implementation of social housing projects in the Municipality to the next ordinary meeting of MPAC.	Office of the Executive Director: Human Settlements	29 October 2020
DIRECTORATE INTERROGATION and Security)	21	Lack of visibility of metro police in the townships.	(a) That the Executive Director: Safety and Security submits a strategy to ensure visibility of metro police in townships to the next ordinary meeting of MPAC.	Office of the Executive Director: Safety and Security	29 October 2020
	22	Non-attendance of MMCs at MPAC meetings.	(a) That the MPAC Coordinator reports to the Speaker and the Acting Mayor the non-attendance of MMCs at MPAC meetings when the committee is discussing their reports.	Office of the Chairperson: MPAC	29 October 2020

AREA 4	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL	TIMEFRAME
DIRECTORATE INTERROGATION and Security)	23	Cost incurred by the Municipality for insourcing security officers from private companies as compared to the cost when they were outsourced.	(a) That the Executive Director: Safety and Security submits a comprehensive report on the cost incurred by the Municipality for insourcing security officers from private companies as compared to the cost when they were outsourced to the next ordinary meeting of MPAC.	Office of the Executive Director: Safety and Security	29 October 2020
	24	Non-functioning of alarm systems and cameras at Councillors Offices.	(a) That the Executive Director: Safety and Security ensures the improvement of security measures at Councillors Offices as a matter of urgency. (b) That the settlement agreement between Afrisec and NMBM be concluded as a matter of urgency to facilitate installation of CCTV cameras in the Municipality.	Office of the Executive Director: Safety and Security	8 December 2020 8 December 2020
	25	Fire and emergency services challenges.	(a) That the MPAC Chairperson arranges a site visit to Fire Stations within the metro to understand the challenges affecting effective provision of fire and emergency services.	Office of the Executive Director: Safety and Security	Before 15 December 2020
	26	High vacancy rates within the Safety and Security Directorate.	(a) That the Executive Director: Safety and Security submits an Action Plan to fill all funded vacancies within the Safety and Security Directorate to the next ordinary meeting of MPAC.	Office of the Executive Director: Safety and Security	29 October 2020

AREA 4	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL	TIMEFRAME
	27	Metro Police and Traffic Services	<p>(a) That the Executive Director: Safety and Security submit a report to the Quarterly MPAC meeting detailing the functions, roles and responsibilities of the Metro Police and that of the Traffic Services.</p> <p>(b) That the report mentioned in (a) above include Terms of Reference, Charter, or similar documents for both the Metro Police and Traffic Services</p> <p>(c) That no more vacancies within Metro Police and Traffic Services be filled, pending the finalization of the above report with the view to combining the Metro Police and Traffic Services Departments.</p>	Office of the Executive Director: Safety and Security	8 December 2020
DIRECTORATE BASED INTERROGATION (Safety and Security)	28	Poor quality of services provided by the Disaster Management Unit.	<p>(a) That the Executive Director: Safety and Security facilitates a process to increase budget allocated to the Disaster Management Unit to accommodate an amount of R1000.00 per household in an event of disaster.</p> <p>b) That the Executive Director: Safety and Security submits a strategy which allows Human Settlements and Safety and Security Directorates to work together to mitigate the effects of disaster on families to the next ordinary meeting of MPAC.</p>	Office of the Executive Director: Safety and Security	8 December 2020 29 October 2020

			c) That the Disaster Management Policy be reviewed to ensure a proper response to disaster.		8 December 2020
DIRECTORATE BASED INTERROGATION (Infrastructure and Engineering)	29	Water losses / Non-revenue water	(a) That the Executive Director: Infrastructure and Engineering submits a strategic plan to address non-revenue water to the next ordinary meeting of MPAC. (b) That the flow chart developed by Cllr Garai for monitoring water losses be used by the Infrastructure and Engineering Directorate and same be reported at the quarterly meetings of MPAC.	Office of the Executive Director: Infrastructure and Engineering	29 October 2020 8 December 2020
	30	Drought	(a) That the National Treasury be approached for funding to implement desalination projects in the Municipality.	Office of the Executive Director: Infrastructure and Engineering	8 December 2020
DIRECTORATE BASED INTERROGATION (Infrastructure and Engineering)	31	Slow pace in the bucket eradication programme.	a) That a strategic plan for bucket eradication in Veeplaas and other informal areas be developed and submitted to the next ordinary meeting of MPAC.	Office of the Executive Director: Infrastructure and Engineering	29 October 2020
	32	Tarring of gravel roads in the Municipality.	(a) That the Executive Director: Infrastructure and Engineering submits a progress report on implementation of the Comprehensive Road Tarring Programme to the next ordinary meeting of MPAC.	Office of the Executive Director: Infrastructure and Engineering	29 October 2020

AREA 4	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE/ OFFICIAL	TIMEFRAME
DIRECTORATE BASED INTERROGATION (Electricity and Energy)	33	A concern was raised regarding unspent budget for the smart grid initiative to develop an innovative, interactive and improved technological solutions to deal with revenue enhancement.	a) That the Executive Director: Electricity and Energy submits a strategic plan to address the challenges with the implementation of the proposed 250 MW Solar Embedded Generation Project to the next ordinary meeting of MPAC.	Office of the Executive Director: Electricity and Energy	29 October 2020
	34	Long turnaround time for responding to electricity complaints.	(a) That the Executive Director: Electricity and Energy submits a report indicating the challenges leading to the long time taken to fix electricity faults and measures to address same to the next ordinary meeting of MPAC.	Office of the Executive Director: Electricity and Energy	29 October 2020
DIRECTORATE BASED INTERROGATION (Sports, Recreation, Arts and Culture)	35	Project implementation delays.	(a) That the Executive Director: Sports, Recreation, Arts and Culture submits a comprehensive report on the projects implemented by the Directorate in the 2018/19 financial year to the next ordinary meeting of MPAC.	Office of the Executive Director: Sports, Recreation, Arts and Culture	29 October 2020
	36	Support to local artists.	(a) That the Executive Director: Sports, Recreation, Arts and Culture submits a strategic plan to provide adequate support to local artists to the next ordinary meeting of MPAC.	Office of the Executive Director: Sports, Recreation, Arts and Culture	29 October 2020

DIRECTORATE BASED INTERROGATION (Sports, Recreation, Arts and Culture)	37	The Committee expressed serious concerns in respect of the Red Location Museum which is not operational and thus being vandalised.	(a) That the Executive Director: Sports, Recreation, Arts and Culture submits a strategic plan to operationalise the Red Location Museum to the next ordinary meeting of MPAC.	Office of the Executive Director: Sports, Recreation, Arts and Culture	29 October 2020
	38	The Committee expressed dissatisfaction regarding renovation of the Main Library that is being delayed.	(a) That the Executive Director: Sports, Recreation, Arts and Culture submits progress report on the Main Library renovation project to the next ordinary meeting of MPAC. (b) That a site visit be conducted to the Main Library in order for the Committee to get an understanding of the progress made to date as well as the challenges being experienced.	Office of the Executive Director: Sports, Recreation, Arts and Culture Office of the MPAC Chairperson	29 October 2020 Before 15 December 2020
	39	The Committee raised a concern regarding the fact that the same winners for the Fruits of Democracy event from the 2017/18 Annual Report also reflected in the 2018/19 Annual Report.	(a) That the Acting Executive Director: Sports, Recreation, Arts and Culture submits a report on the Fruits of Democracy event (with an explanation as to why the same names of the winners from the previous year were reflected in the 2018/19 Annual Report) to the next ordinary meeting of MPAC. (b) That the 2018/19 Annual Report be amended to reflect the names of the 2018/19 winners of the Fruits of Democracy event.	Office of the Executive Director: Sports, Recreation, Arts and Culture	29 October 2020 Before tabling in Council
	40	The Committee raised a concern in respect of the fewer number of work opportunities being created by the Municipality.	(a) That the Executive Director: Economic Development, Tourism and Agriculture submits a comprehensive report indicating major problems hampering the implementation of the Expanded Public Works Programme and strategies to address same to the next ordinary meeting of MPAC.	Office of the Executive Director: Economic Development, Tourism and Agriculture	29 October 2020

			(b) That the 2018/19 Annual Report be amended to reflect the updated figures in terms of the number of Work Opportunities created in the 2018/19 financial year.		Before tabling in Council
--	--	--	--	--	---------------------------

8. OVERSIGHT COMMITTEE RECOMMENDATIONS FROM 2017/18 OVERSIGHT REPORT NOT IMPLEMENTED

In addition to the recommendations cited in the preceding section (Section 7), the MPAC resolved to review its Oversight Report of the previous financial year (2017/2018) to assess whether the recommendations it had made in the previous financial year had been implemented.

9. OVERSIGHT COMMITTEE RESOLUTIONS:

Having fully considered the Nelson Mandela Bay Municipality's 2018/19 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 2018/19 financial year, adopts the Oversight Report, circulated as Annexure "A" to this agenda, as presented by MPAC.
- (b) That the 2018/19 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 2018/19 Oversight Report be adopted and that, the progress made with the implementation thereof be reported in the Quarterly Reports to MPAC.
- (d) That the progress with the implementation of outstanding recommendations by MPAC emanating from the 2017/18 financial year 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 2018/19 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 2018/19 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

MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

(Special Meeting held on 14 July 2020)

PRESENT: Councillor P F Tshanga (Chairperson)
Councillor R N Captain
Councillor C Garai (Joined Virtually)
Councillor M Gidane
Councillor L P Grootboom
Councillor M E Mbelekana
Councillor M K Mogatosi (Joined Virtually)
Councillor H Müller
Councillor S L Ncana
Councillor S Soyas (Joined Virtually at 12:15)
Councillor M G Steyn

ALSO PRESENT: Acting City Manager (Mr M Mapu)
Chief Operating Officer
Executive Director: Public Health (Mr S Mvunelwa)
Acting Executive Director: Corporate Services (Mr C Jamda)
Acting Executive Director: Human Settlements (Ms N Tetyana)
Chief Financial Officer: MBDA (Mr A Adam)
Risk and Compliance Manager: MBDA (Mr K Swart)
MPAC Coordinator : Office of the Speaker (Mr A de Wet)
Chairperson: Audit Committee (Mr G Billson)
Chief Committee Officer (Mr L Myira)
Audit Committee Member (Mr Y Amod)
Committee Officer (Mr O Maawu)
Committee Officer (Mr O Bingwa)

**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 were received from:

Councillors L Nombola and N P Antoni.

Chief Financial Officer (Mr S Thys).

Executive Director: Sport, Recreation, Arts and Culture (Ms N Nqwazi).

Acting Executive Director: Corporate Services (Ms N Xhego).

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

The Chairperson indicated that she was not in a position to consider the minutes as she did not have the copies thereof. Consequently, it was suggested that the consideration of the minutes be deferred to the next MPAC meeting.

RESOLVED:

That the consideration of the minutes of the meeting held on 18 February 2020 and 25 February 2020 be deferred to the next meeting of MPAC.

REPORT BY ACTING EXECUTIVE DIRECTOR : CORPORATE SERVICES

15. 2018/19 ANNUAL REPORT OF NELSON MANDELA BAY METROPOLITAN MUNICIPALITY (10/1/1/1) (Item 1 – Agenda p. 1)

Upon consideration of this item, it came to the attention of the Committee that the members and other officials who had joined the meeting virtually could not participate effectively due to technical challenges. Consequently, the Chairperson requested a 10 minutes short break with a view to resolving the aforementioned issues.

(Meeting adjourned at 12:10 and reconvened at 12:20)

In light of the above, the Committee expressed its disappointment with regards to the effectiveness of the Municipality's IT systems.

The Committee expressed sincere apologies to the officials from the MBDA who continuously attended the meetings of MPAC where their time was consumed without positive results.

It was suggested that the meeting should be postponed for a future date, and that the Acting City Manager should ensure effective co-operation by the IT department in terms of facilitating a smooth flow of the proceedings of Virtual meetings henceforth.

RESOLVED:

That the Acting City Manager ensure effective co-operation by the IT department in respect of providing support for Virtual meetings.

The meeting terminated at 12:50

CHAIRPERS

MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

(Special Meeting held on 16 July 2020)

PRESENT: Councillor P F Tshanga (Chairperson)
Councillor N P Antoni (Joined Virtually)
Councillor R N Captain
Councillor C Garai (Joined Virtually)
Councillor M Gidane
Councillor L P Grootboom
Councillor M E Mbelekana
Councillor M K Mogatosi (Joined Virtually)
Councillor H Müller (Joined Virtually)
Councillor S L Ncana
Councillor S Soyas (Joined Virtually at 12:15)
Councillor M G Steyn (Joined Virtually)

ALSO PRESENT: Acting City Manager (Mr M Mapu)
Chief Operating Officer
Executive Director: Economic Development, Tourism and Agriculture
Executive Director: Public Health
Executive Director: Electricity and Energy
Acting Executive Director: Corporate Services (Mr C Jamda)
Director: Internal Audit (Ms B Chan)
Assistance Director: Internal Audit (Mr N Bisson)
Chief Financial Officer: MBDA (Mr A Adam)
Risk and Compliance Manager: MBDA (Mr K Swart)
Financial Manager: MBDA (Mr Z Kwela)
NMB Stadium Manager: MBDA (Mr M Mokonyama)
Manager: Monitoring and Evaluation (Office of the COO) (Ms M Mrubata)
Chief IT Auditor: Internal Audit (Mr A Jacobs)
Senior Internal Auditor: Internal Audit (Ms R Brockett)
Operations Executive: MBDA (Ms D Hendricks)
Performance Management Practitioner: Office of the
COO (Ms M Randeria)
MPAC Coordinator (Mr A de Wet)
Chairperson: Audit Committee (Mr G Billson)
Chief Committee Officer (Mr L Myira)
Audit Committee Member (Mr Y Amod)
Committee Officer (Mr O Maawu)
Committee Officer (Mr O Bingwa)

**ABSENT
WITHOUT LEAVE:**

Councillor T F Tshangela
Councillor L Nombola

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

NOTED AND RESOLVED:

That the Minutes of Proceedings of the Municipal Public Accounts Committee at its meetings held on 18 February 2020 and 25 February 2020 be hereby confirmed.

A concern was expressed on behalf of DA regarding the legitimacy of the Acting City Manager and pointed out that he did not believe proper processes were followed with regards to the appointment of the Acting City Manager. He added that the Acting City Manager did not meet the requirements and competency skills to execute the duties of the City Manager, whereafter the ACDP reiterated that the Acting City Manager was appointed unlawfully, which by implication means that every decision taken by him would be unlawful.

REPORT BY ACTING EXECUTIVE DIRECTOR : CORPORATE SERVICES

16. 2018/19 ANNUAL REPORT OF NELSON MANDELA BAY METROPOLITAN MUNICIPALITY (10/1/1/1) (Item 1 – Agenda p. 1)

A revised road map attached hereto as **Annexure “A”** pertaining to the consideration of the 2018/2019 Annual Report was adopted.

16.1 Report of the MBDA

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

- Income generating strategies.
- Non-payment of funds to the MBDA.

It was indicated that the MBDA was embarking on a number of processes that would generate income. Some of these processes include a proposal that would be submitted to Transnet regarding the Waterfront Development and funding applications that have been submitted to CDC.

A suggestion was made that the MBDA should also look at acquiring naming rights for the Stadium as another way of generating income. However, it was established that the contract of the MBDA pertaining the management of the stadium had come to an end and that it was operating on month to month contract. This made it difficult to plan and execute tasks and it was hampering the performance of the MBDA in respect of managing the stadium. Consequently, the Committee was of the view that the Municipality should review the performance of the MBDA in respect of managing the stadium and make a decision as to whether or not to extend the contract by 12 months.

Concerning Council meeting venues, it was indicated that Councillors' lives were in danger due to the lack of security of the venues in which they convene meetings. Consequently, the MBDA was requested to prioritise the project of the new Council Chamber and to ensure that same was highly secured.

With regards to the non-payment of funds, it was indicated that the issue was related to contracts and invoices that were either signed or submitted late. However, it had since been resolved.

The Committee commended the MBDA for continuously receiving clean audits from Auditor General.

The Chairperson at this stage requested that the meeting be adjourned for a comfort break.

(Meeting adjourned at 11:00 and reconvened at 11:10)

A concern was also raised regarding the progress status in respect of Organisational Redesign and Job Evaluations.

It was stated that the Organisational Redesign was approved, however, there were some positions that were not filled due to budget constraints.

The Committee requested that the MBDA should submit a full organogram and highlight the critical vacancies that needed to be prioritised. It was also suggested that the Job Evaluation process should form part of the MPAC's quarterly report.

Serious concerns were raised around the uncertainties in the existence of the Board of Directors of the MBDA and whether or not it was operating legally.

The Executive Director: Economic Development, Tourism and Agriculture provided a comprehensive response herein, highlighting that the contract of the board had come to an end. He added that the then Executive Mayor took an irregular decision to appoint the board on a month to month basis. However, when it was established that the decision was irregular the board stopped operating, under the impression that the decisions that were taken by the board during that period were by implication irregular.

He further stated that the recruitment process for the new board had already commenced and the advert had gone out.

The Committee was of the view that the Executive Director: Economic Development, Tourism and Agriculture should submit a comprehensive report in respect of the MBDA Board of Directors, detailing all the events that took place which he had made reference in his aforementioned input.

The Chairperson at this stage requested that the meeting be adjourned for a comfort break.

(Meeting adjourned at 12:10 and reconvened at 12:15)

(Councillor Gidane left the meeting during the adjournment)

The following additional concerns were raised:

- Projects that did not reach targets.
- Report on projects did not include time frames and costs.

RESOLVED TO RECOMMEND:

- a) That NMBM extend the lease contract between MBDA and the NMB Stadium by 12 months subject to reviewal every six months.
- b) That the MBDA submit a comprehensive report regarding the management of the stadium in order for Council to make an informed decision as per (a) above.
- c) That new Council Chamber be prioritised and that same should be highly secured.
- d) That the Acting City Manager ensures smooth flow of budget allocation to MBDA in order to avoid hampering its projects.
- e) That the existing Board of Directors of the MBDA continue operating for further 3 months.
 - (i) Advert for MBDA Board be approved by Council in the first instance
 - (ii) That MBDA Board members and Board Committees be approved by Council.
- f) That the Executive Director: Economic Development, Tourism and Agriculture prepares a comprehensive report in respect of the MBDA Board of Directors clarifying reasons for its dissolution by Acting Executive Mayor.
- g) That the MBDA ensure viability of projects prior setting targets on projects and that KPI's are aligned accordingly.
- h) That MBDA considers acquiring naming rights for the Stadium as part of income generating strategy.

FURTHER RESOLVED:

- a) That the MBDA's income generating strategies be submitted to MPAC's quarterly reports.
- b) That a report on Job Evaluation at MBDA form part of MPAC's quarterly reports.

- c) That a table detailing all the projects of the MBDA, with costs and timeframes, form part of MPAC's quarterly reports.

The meeting terminated at 13:40

CHAIRPERSON

MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

(Meeting held on 21 July 2020)

PRESENT: Councillor P F Tshanga (Chairperson)

Councillor N P Antoni
Councillor R N Captain
Councillor C Garai (Joined Virtual)
Councillor M Gidane
Councillor L P Grootboom
Councillor M E Mbelekana
Councillor M K Mogatosi (Joined Virtual)
Councillor H Müller (Joined Virtual)
Councillor S L Ncana
Councillor L Nombola
Councillor M G Steyn (Joined Virtual)
Councillor S Soyès (Joined Virtual)

Councillor Q Pink
Councillor T Mhlongo

ALSO PRESENT: Acting City Manager (Mr M Mapu)
Chief Operating Officer
Executive Director : Public Health
Executive Director : Safety and Security
Acting Executive Director: Corporate Services (Mr C Jamda)
Senior Director : Supply Chain Management (C Ngxesha)
Deputy Director : Monitoring and Evaluation (Dr W Obeng)
Deputy Director : Office of the Chief Operating Officer (Mr N Dunjana)
Assistant Director : Internal Audit (Mr S Gwija)
Risk Specialist (Mr A S Somdaka)
Auditor General South Africa (Mr S Ndabambi)
Chairperson: Audit Committee (Mr G Billson)
MPAC Coordinator (Mr A de Wet)
Chief Committee Officer (Mr L Myira)
Committee Officer (Mr O Bingwa)

**ABSENT
WITHOUT LEAVE:**

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.

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 made.

DISCLOSURE OF INTERESTS BY OFFICIALS

There were no disclosures made.

Before the meeting could proceed with the business of the day, Cllr M G Steyn informed the meeting that Council had received a legal opinion concerning the appointment of Mr M Mapu as the Acting Municipal Manager and that as the DA they do not accept that legal opinion as it was badly crafted.

Councillor L Grootboom concurred with Cllr Steyn and further pointed out that the said incumbent did not meet the minimum requirements for the position of Municipal Manager.

Acting Executive Director: Corporate Services (Mr C Jamda) requested that this matter be referred for the second legal opinion before a decision can be taken and report in the next MPAC meeting.

Councillor N Captain reminded the meeting that this matter was decided in a Council meeting and that any concern concerning this matter should be referred to Council.

NOTED

REPORT BY ACTING EXECUTIVE DIRECTOR : CORPORATE SERVICES

17. 2018/19 ANNUAL REPORT OF NELSON MANDELA BAY METROPOLITAN MUNICIPALITY (10/1/1/1) (Item 1 – Agenda p. 1)

REPORT BY AUDITOR GENERAL – VOLUME III (Agenda page 842)

Mr S Ndabambi from the Auditor General's office referred the meeting to AGs report from page 842 to 852 of MPAC agenda dated 14 July 2020 concerning findings of AG for 2018/2019 financial year. By way of response, the Chief Financial Officer referred the committee to page 564 of the agenda.

The Committee felt that affected Directorates should be present in meetings together with their portfolio political leaders to account for their actions when Committee was discussing their reports.

The Committee felt that the AGs report reflected a bleak future for NMBM as reflected in the following extract from AGs report:

- (a) Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

- (b) Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.
- (c) Cases of financial misconduct which constitute a crime committed by officials were not always reported to the South African Police Services, as required by the municipal regulations on financial misconduct procedures and criminal proceedings 10(1).
- (d) Allegations of theft/fraud which exceeded R100 000.00 were not reported to the South African Police Services, as required by section 34(1) of the Prevention and Combating of Corrupt Activities Act, 2004 (Act no. 12 of 2004).
- (e) Sufficient appropriate audit evidence could not be obtained that all quotations were awarded in accordance with the legislative requirements as the municipality fully implemented systems for the acceptance of quotations, however these systems were not appropriately designed to ensure that they fully complied with the SCM legislation.
- (f) Some of the goods and services of a transaction value above R200 000.00 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was impractical to invite bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in the prior year.
- (g) Sufficient appropriate audit evidence could not be obtained that all extensions or modifications to contracts were approved by a delegated official, as required by SCM regulation 5. Similar non-compliance was also reported in the prior year.
- (h) The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.
- (i) I Considered internal control relevant to my audit of the consolidated and separate financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matter reported below are limited to the significant internal controls deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
- (j) There was instability at the leadership level, and leadership did not take decisive steps to implement adequate consequences management, actions plans, and key controls, or monitor policies and procedures in a manner that promoted a sound control environment.
- (k) Management did not consistently implement daily, weekly and monthly financial and performance management disciplines. This was due to lack of oversight by leadership and vacancies in key positions, combined with systemic weaknesses in information technology systems that were reported repeatedly and not addressed. Key risks relating to financial and performance reporting as well as SCM were not actively managed during the year under review.
- (l) Management's processes of monitoring compliance with legislation were not affective as a result of the significant internal control deficiencies detailed in the aforementioned paragraphs.

It was furthermore, enquired as to what action was taken by the Acting City Manager against Directorates that did not respond to AG findings.

The Committee further requested to know from the Internal Audit Director about the nature of the threat, if any, as reflected in the AG report.

Further requested to know if the listed findings had been addressed and what was the testing method used in addressing findings?

It was also enquired as to why only 28% of the audit plan was performed for the previous year.

Internal Audit Director explained that the 2018/2019 AG report was only received in March 2020.

She further explained that Internal Audit Sub-Directorate was under staffed as the result they could not implement remedial actions as proposed by AG's office.

She reported that they did sample of findings with Directorates and that 53% of tests done had not been implemented by Directorates.

She explained that previous CFOs did not accept Internal Audit reports in relation to their performance. The other problem identified was that there was too much acting in positions.

She further explained that most of the proposed remedial actions were not implemented e.g. intangible assets.

Furthermore, it was explained that Directorates take too long to respond to enquiries from Internal Audit.

Acting Municipal Manager informed the meeting that the budgeted amount for filling of vacancies was R41m.

RESOLVED:

- (a) That Internal Audit vacancies be filled as a matter of urgency.
- (b) That Acting Municipal Manager implements Recovery Plan as presented by the Auditor General.
- (c) That a standard format for Recovery Plan be developed for MPAC reports.
- (d) That MPAC and Audit Committee monitor Audit Action Plan progress.
- (e) That implementation of Audit Action Plan be reported to Council.
- (f) That Chief Financial Officer submit a report to MPAC quarterly meeting concerning ATTP policy.
- (g) That there should be consequence management for non-performance by responsible Directorates as reflected in the AG report.
- (h) That National Treasury be requested to submit a report on the progress made in respect of IPTS.

- (i) That abuse of deviation by Supply Chain Management be investigated.
- (j) That MSCOA be implemented as a matter of urgency.
- (k) That MSCOA Project Manager be appointed with clear KPIs.
- (l) That Asset Manager submit a report to MPAC concerning asset register.
- (m) That the current ATTP policy be replaced by the previous policy as current policy has loopholes.
- (n) That timeframes be set for CFO's proposed remedies to AG concerns.

Due to time constraints it was resolved that outstanding questions be sent to Directorates for responses.

Meeting adjourned at 13:30

CHAIRPERSON

MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

(Special Meeting held on 30 July 2020)

PRESENT: Councillor P F Tshanga (Chairperson)

Councillor N P Antoni
Councillor R N Captain
Councillor C Garai (Joined Virtually)
Councillor M Gidane
Councillor L P Grootboom
Councillor M E Mbelekana
Councillor M K Mogatosi (Joined Virtually)
Councillor H Müller (Joined Virtually)
Councillor S L Ncana
Councillor L Nombola
Councillor S Soyas (Joined Virtual)
Councillor M G Steyn (Joined Virtual)

Councillor Q Pink
Councillor L Sokudela

ALSO PRESENT: Acting City Manager (Mr A Qaba)
Chief Operating Officer
Chief Financial Officer
Executive Director: Public Health
Executive Director: Safety and Security
Executive Director: Infrastructure and Engineering
Executive Director: Electricity and Energy
Acting Executive Director: Corporate Services (Mr C Jamda)
Acting Executive Director: Sport Recreation, Arts and Culture (Ms C Williams)
Acting Executive Director: Human Settlements (Ms N Tetyana)
Senior Director: Supply Chain Management (C Ngxesha)
Senior Director: Land Planning (S Potgieter)
Deputy Director: Monitoring and Evaluation (W Obeng)
Assistant Director: Internal Audit (M Bisson)
Director: Internal Audit: Forensics (S Gwija)
Senior Internal Auditor (R Brockett)
Budget and Treasury (C Barnard)
Manager: Monitoring and Evaluation (M Mrubeta)
Risk Specialist: COO (S Galada)
MPAC Coordinator (Mr A de Wet)
Chairperson: Audit Committee (Mr G Billson)
Performance Management Unit (N Scharnick)
COGTA (N Jamjam)
Audit Committee Member (Mr Y Amod)
Lutho Sokudela
Chief Committee Officer (Mr L Myira)
Committee Officer (Mr O Maawu)

**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.

Apology was received from Acting City Manager (Mr M Mapu)

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 made.

DISCLOSURE OF INTERESTS BY OFFICIALS

There were no disclosures made.

REPORT BY ACTING EXECUTIVE DIRECTOR : CORPORATE SERVICES

18. 2018/19 ANNUAL REPORT OF NELSON MANDELA BAY METROPOLITAN MUNICIPALITY (10/1/1/1) (Item 1 – Agenda p. 1)

OUTSTANDING MATTERS FROM PREVIOUS MEETING

The Chairperson informed the meeting that there were outstanding questions from the previous meeting that Councillors submitted to affected Directorates.

Attached hereto as **Annexure “A”** are questions submitted by Councillor L Grootboom to the Chief Financial Officer and Public Health Directorate together with responses from those Directorates.

Councillor Grootboom further complained about Directorates not responding to the question about the implementation of SOPs as the Chief Financial Officer in his response explained that each Directorate should respond on the progress made in implementing SOPs.

He further recommended that each Member of Mayoral Committee (MMC) should follow-up with their Directorates as to why the Executive Directors did not implement their SOPs.

RESOLVED:

- (a) That a report concerning SOPs be submitted by affected Directorates in the next MPAC meeting.
- (b) That the Committee liaise with Directorates that did not comply with SOPs, the reasons for their non-compliance and at what areas of non-compliance and report in the next ordinary MPAC meeting.

- (c) That the questions for non-compliance be sent to Directorates for their responses.

COMPONENT F: HEALTH (Agenda p. 256)

A concern was raised with regards to the quality and suitability of buildings used as clinics. It was further proposed that Public Health Directorates should conduct inspection to all clinics around the NMBM and submit a report thereon.

It was enquired as to when the fencing of cemeteries would be completed because the scorecard on page 325 of the agenda indicated that that KPI had not been completed in the 2018/19 financial year.

The Committee followed up with the question around safety at the Arlington tip as the Directorate has requested R45m for fencing of Arlington tip. It was further proposed that Council should treat safety at Arlington as a priority.

It was also suggested that the use of Peace Officers as a stop gap measure whilst Council was investigating other security measures.

The Executive Director: Public Health explained that, as of 2009, Primary Health care became the responsibility/competency of the Provincial Department of Health.

He further proposed that NMBM should investigate whether the facilities/clinics at NMBM were leased or handed over to the Provincial department. He further explained that if the immovable properties/clinics belonged to the Municipality, the onus resided with the Provincial Department of Health to approach NMBM for any renovation required to the buildings to meet their norms and standards.

The Executive Director: Public Health explained that they had indicated in their previous report that in order for them to comply with permit conditions, they had indicated the amount of money required to fence the site. He further explained that they were in discussion with EDTA with the intention of training about twenty personnel on various aspects of security.

On the issue of provincializing clinics, it was suggested that NMBM should review the memorandum of understanding between the Municipality and the Department of Health and the decisions of those discussions be reported in the next ordinary MPAC meeting.

RESOLVED:

- (a) That Council establish which buildings/clinics belong to the municipality.
- (b) That the Executive Director: Public Health provide the Committee with a Strategic Plan on how the quality of clinics can be improved in collaboration with Provincial Health Department at the ordinary next meeting.
- (c) That the Executive Director: Public Health review the ownership agreement of clinics between the Municipality and Provincial Health Department.
- (d) That the Executive Director: Public Health prioritise and expedite the completion as well as sourcing of funding for fencing cemeteries and Arlington Tip Site.

CORPORATE SERVICES COMPONENT (Agenda page 351)

Concerns were raised concerning the lack of information in progress made in disciplinary cases.

RESOLVED:

- (a) That Executive Director: Corporate Services submit a report in the next ordinary MPAC meeting on the progress made in disciplinary cases together with the information and outcomes as reflected in Table 4.6 and 4.7 in pages 351 – 353 of the agenda including the following:
- The current state/progress of cases.
 - The amount of salary paid to employees whilst on suspension.
 - The amount of acting allowance paid to acting employees whilst the incumbent were on suspension.
 - The amount of legal fees incurred to date.
 - The date of next action in each case.
- (b) That the progress per (a) above be monitored on monthly basis by MPAC.

The meeting concluded with the questions from the previous meeting and the Chairperson requested comfort break for ten minutes.

(The meeting adjourned at 11:05 and reconvened at 11:15)

Councillor S L Ncana requested to leave at 11:30.

HUMAN SETTLEMENTS (Agenda page 172)

The meeting was referred to KPI 49 on page 329 of the agenda.

A concern was raised that immediately when beneficiaries were relocated, land invasion occurs. It was proposed that Council should strengthen law enforcement as a way of curbing land invasion in vacant plots.

The Committee proposed that Municipality should accelerate the process of issuing title deeds as some beneficiaries had been occupying their houses for a long period without title deeds.

It was proposed that Council should review the decision on land invasion as rightful owners of sites were overtaken by invaders.

The Committee was of the view that the same report that was presented in 2017/18 Annual Report had been duplicated in the 2018/19 Annual Report as reflected in the report about Old Age Home.

The Committee requested to know from the Acting Executive Director: Human Settlements as to what happened to the 2017/2018 taking over of Old Age Homes as this process is duplicated in the 2018/2019 report. The Committee further requested to know as to what happened to the 2017/2018 maintenance plan, as this was also duplicated in the 2018/2019 report

The Committee enquired about the progress made in implementing social housing, in particular the Steve Biko House (former Sanlam Building) as the report indicated that the progress has been very slow.

Secondly, the Committee enquired as to what the progress was with regard to delivering of houses?

The Acting Executive Director: Human Settlements concurred with the sentiment that there was a problem in controlling land invasion and further explained that land invasion was dealt with in terms of Council resolutions and that if the resolution was hindering progress, Council should consider reviewing that. She further alluded to the fact that land invasion was dealt with in terms of PIE Act.

On title deeds, she explained that the issuing of title deeds was regulated through DORA conditions which require that the Municipality should submit a business plan for issuing of Title Deeds.

On the issue of Old Age Homes, she explained that the delay in maintenance was as the result of the delay in the awarding of Minor Works Contract and that there was a budget to the amount of R5m in the current financial year.

On the issue of Steve Biko Building, she explained that there was a Steering Committee that was responsible for that project. She further explained that the role of the municipality was to facilitate delivery of social housing as per Social Housing Act.

The Acting Executive Director : Human Settlements explained that the delivery of social houses was done by an institution which is recognised by the Social Housing Regulator. It was further explained that after encountering some problems with the Social Housing Regulator, the project was now completed and that they were busy looking for tenants.

It was proposed that the work done by Human Settlements should be reported to Council indicating progress and problems encountered.

RESOLVED:

That the work done by Human Settlements should be reported to Council indicating progress and problems encountered.

SAFETY AND SECURITY (Agenda page 259)

The Committee also acknowledged the presence of MMC for Safety and Security and urged all MMCs to be present when MPAC is discussing their portfolios as the discussions had a political impact in the execution of their duties. It was further urged that the Acting City Manager to ensure that affected MMCs attend these sittings.

RESOLVED:

- (a) That affected Directorates be invited to MPAC meetings together with their MMCs.
- (b) That MPAC Coordinator reports to the Speaker and the Acting Mayor the non-attendance of MMCs at MPAC meetings when the committee is discussing their reports.

METRO POLICE (Agenda page 259)

It was indicated that there was lack of visibility of Metro Police in the townships. A concern was raised about shortage of staff within the Metro Police.

It was further suggested that Council should start discussing combining Metro Police and Traffic Services.

RESOLVED:

- (a) That the Executive Director: Safety and Security must ensure that the funded vacancies were filled.
- (b) That the Executive Director: Safety and Security expedite the sourcing of financial provision to fund unfunded vacancies.

SECURITY SERVICES (Agenda page 261)

The Committee requested information on the cost incurred by the municipality for insourcing Security Officers from private companies as compared to the cost when they were outsourced. It was further suggested that Security Officers be deployed to Councillors offices to avoid vandalism at these offices.

A concern was raised about non-functioning alarm system and cameras at Councillors offices.

RESOLVED:

- (a) That the Executive Director: Safety and Security provide the Committee with a comprehensive report on the plan to address the issues of vacancies in the next meeting.
- (b) That the Executive Director: safety and Security responds to Councillor's questions in writing before the next meeting.

FIRE AND EMERGENCY SERVICES (Agenda page 263)

It was indicated that Fire and Emergency officers were experiencing problems in accessing informal areas. Also water restrictions was posing a challenge for fire and emergency services and resulted to losses of life. A concern was raised about shortage of staff at Fire and Emergency Services. It was further proposed that MPAC members should conduct site inspection to the Fire Stations.

RESOLVED:

- (a) That the Executive Director: Safety and Security must ensure that the funded vacancies were filled.

- (b) That the Executive Director: Safety and Security expedite the sourcing of financial provision to fund unfunded vacancies.
- (c) That MPAC conducts an oversight visit to Metro Fire Stations, particularly in the Motherwell area, to assess renovations with a view to determining whether value for money was obtained.

TRAFFIC AND LICENSING SERVICES (Agenda page 267)

A concern was raised about shortage of staff at Traffic and Licensing Services.

RESOLVED:

- (a) That the Executive Director: Safety and Security must ensure that the funded vacancies were filled.
- (b) That the Executive Director: Safety and Security expedite the sourcing of financial provision to fund unfunded vacancies.

DISASTER MANAGEMENT (Agenda page 269)

The following were identified as top disaster management risks:

- Floods, especially informal settlement and infrastructure.
- The effects of fire, explosions and spillage of hazardous materials.
- Severe storms.
- Human disease (e.g. HIV/AIDS, Tuberculosis, cholera and asthma).
- Drought, as is evident from 2010 to date.

RESOLVED:

- (a) That the Executive Director: Safety and Security increase budget allocated to Disaster Management Unit to accommodate an amount of R1000.00 per household in an event of a disaster.
- (b) That Human Settlements and Safety and Security Directorates assist each other in firefighting and accommodating families during disasters.
- (c) That Council review the Disaster Management Policy for proper response during disaster time.
- (d) That Disaster Management Unit be allocated sufficient budget for disaster response.
- (e) That Council finalise settlement between Afrisec and NMBM so as to facilitate installation of CCTVs throughout NMBM.
- (f) That alarms at Councillor's offices be activated.

(The meeting adjourned at 12:40 and reconvened at 12:50)

INFRASTRUCTURE AND ENGINEERING (Agenda page 137)

Water Provision (Agenda page 137)

A concern was raised about water losses and it was pointed out that the municipality did not have a coordinated plan to deal with water losses. It was further suggested that the Directorate should consider implementing a desalination programme. It was reported that Coega will assist NMBM in establishing desalination plant. Further concern raised about low performance rate in curbing water losses as reflected in KPI 9 of SDBIP draft adjusted 2018/2019 annual performance report.

RESOLVED:

- (a) That Infrastructure and Engineering Directorate approach National Treasury for funding for a desalination programme.
- (b) That Infrastructure and Engineering Directorate utilise the flow chart developed by Cllr Garai to monitor progress on water losses.
- (c) That the Executive Director: Infrastructure and Engineering submit a report on the next ordinary meeting with a strategic plan in place to address non-revenue water.

Wastewater (sanitation) provision (Agenda page 147)

A concern was raised about the slow pace in bucket eradication programme. It was proposed that Human Settlements and Infrastructure and Engineering Directorates should do replanning for Veeplaas to eradicate bucket system within this financial year.

RESOLVED:

That Human Settlements and Infrastructure and Engineering Directorates should do replanning for Veeplaas and other informal areas to eradicate bucket system within this financial year.

COMPONENT B: ROAD TRANSPORT (Agenda page 185)

RESOLVED:

That the Executive Director: Infrastructure and Engineering submit a report to the next ordinary meeting of MPAC detailing the progress on the road tarring programme.

ELECTRICITY AND ENERGY (Agenda page 156)

A concern was raised regarding unspent budget of smart grid initiative which was meant to develop an innovative, interactive and improved technological solutions to deal with revenue enhancement.

Furthermore the Committee felt that the Directorate takes too long fixing complaints as reflected in KPI 1 of the Organisational Performance Scorecard.

A further concern was raised regarding electricity losses and the Directorate was urged to develop a plan to curb electricity losses.

RESOLVED:

- (a) That the Executive Director: Electricity and Energy provide the Committee with a report detailing a strategic plan to address challenges faced with regards to the proposed 280MW Sole Embedded generation Project; and

The meeting terminated at 14:25

CHAIRPERSON

MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

(Meeting held on 18 August 2020)

PRESENT: Councillor P F Tshanga (Chairperson)

Councillor N P Antoni
Councillor R N Captain
Councillor C Garai (Joined virtually)
Councillor M Gidane
Councillor L P Grootboom
Councillor M E Mbelekane
Councillor M K Mogatosi (Joined virtually)
Councillor H Müller (Joined virtually)
Councillor L Nombola (Joined virtually)
Councillor M G Steyn (Joined virtually)
Councillor T F Tshangela

Councillor Q Pink (Joined virtually)
Councillor L Sokudela

ALSO PRESENT Acting City Manager (Mr A Qaba)
Chief Operating Officer
Chief Financial Officer
Executive Director: Public Health
Executive Director: Safety and Security
Executive Director: Infrastructure and Engineering
Executive Director: Electricity and Energy
Acting Executive Director: Corporate Services (Mr C Jamda)
Acting Executive Director: Sports, Recreation, Arts and Culture
(Ms C Williams)
Acting Executive Director Human Settlements (Ms N Tetyane)
Senior Director: Supply Chain Management (C Ngxesha)
Senior Director: Land Planning (S Potgieter)
Deputy Director: Monitoring and Evaluation (Dr W Obeng)
Assistant Director: Internal Auditor (M Bisson)
Director: Internal Auditor: Forensics (S Gwija)
Internal Audit (R Brockett)
Budget and Treasury (C Barnard)
Manager: Monitoring and Evaluation (M Mrubata)
Risk Specialist: COO (S Galada)
MPAC Coordinator (Mr A de Wet)
Chairperson: Audit Committee (Mr G Billson)
Performance Management Unit (N Scharnick)
COGTA (N Jamjam)
Audit Committee member (Mr Y Amod)
Chief Committee Officer (Mr L Myira)
Committee Officer (Mr O Maawu)

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 R N Captain, S L Ncana & S Soyas.

**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)**

DISCLOSURE OF INTERESTS BY OFFICIALS

There were no disclosures.

REPORT BY ACTING EXECUTIVE DIRECTOR : CORPORATE SERVICES

**19. 2018/19 ANNUAL REPORT OF NELSON MANDELA BAY METROPOLITAN
MUNICIPALITY (10/1/1/1) (Item 1 (Agenda p. 1)**

19.1 Sports, Recreation, Arts and Culture

The following concerns were raised in respect of Sports, Recreation, Arts and Culture Directorate:

- Artworks in the Art Museum

The Committee was of the view that the Municipality should set aside adequate funds with a view to supporting local artists by purchasing their artworks.

- Projects that were not completed due to the ineffectiveness of the Contractors.

It was indicated that Contractors who were not performing should be removed from the database of the Municipality and not be given any more work. In addition, the Committee requested that the Acting Executive Director: Sports, Recreation, Arts and Culture should submit a comprehensive report on the projects of the directorate and that same should reflect details such as the project manager, cost breakdown of each project and challenges thereof.

- **Challenges in the Sport, Recreation, Arts and Culture**

It was indicated that the challenges in the SRAC directorate were the results of poor planning and that same would be overcome through proper planning.

It was suggested that an adequate budget be set aside to address the challenges in the SRAC directorate.

- **Life Guards**

It was indicated that the Municipality should avail financial resources in order to meet the Blue Flag requirements on the beaches, which included permanent Life Guards.

- **Red Location Museum**

The Committee expressed serious concerns in respect of the Red Location Museum which was not operational and thus being vandalised. It was indicated that the Municipality incurred excessive costs in building the facility. It was added that there should be a way forward on this matter, particularly at a time when jobs were being lost due to Covid-19.

It was explained that there had been meetings with the Community members of the Red Location area where the museum was situated, which sought to address the issues around the opening of the facility. The Red Location Community members expressed that they were willing to allow the museum to operate, however, the status of the facility was bad and required more funding for repairs.

- **Main Library**

In response to a query as to when the library would be completed, it was stated that the outstanding work amounted to approximately R14 Million Rands which the directorate was still raising the funds. However, the Committee expressed dissatisfaction regarding the renovations of the main library that were being prolonged. It was stated that the facility was situated in an area that was surrounded by student and hence it was of critical importance that it should be completed and opened immediately.

- **Fruits of Democracy**

It was highlighted that the report in respect of this event was concerning, particularly because it reflected the same names of the people who won in the previous years. A comprehensive report in respect of this event was sought at the next ordinary meeting of MPAC.

(Councillor Captain entered the meeting at 10:50)

19.2 Economic Development, Tourism and Agriculture

The Committee raised the following concerns in respect of the Economic Development, Tourism and Agriculture directorate:

- The number of work opportunities created.
- The number of days taken to process building plan applications.
- Ineffectiveness of the EPWP policy

The Executive Director: Economic Development, Tourism and Agriculture cited that it was not feasible to create more opportunities due to budget constraints. He added that there were programmes which were aimed at creating Full Time Equivalent jobs as part of ensuring job creation in the Nelson Mandela Bay.

In terms of the EPWP policy, he mentioned that same had no issues and it should not be used as a defence mechanism. He stated that the major problems that were hampering the progress of the EPWP was the lack of commitment by some of the directorates and budget constraints. However, a full report in respect of the EPWP would be submitted to MPAC with recommendations as to the way forward.

RESOLVED:

- (a) That the Municipality ensure budget provisions for the Art Museum with a view to supporting local artists.
- (b) That the Acting Executive Director: Sports, Recreation, Arts and Culture submit a report on its projects and that same reflects costs and challenges thereof.
- (c) That the Municipality ensure budget provisions for the Sport, Recreation, Arts and Culture directorate with a view to addressing its challenges.
- (d) That the Municipality avail financial resources in order to meet the Blue Flag requirements on the beaches, which included permanent Life Guards.
- (e) That the Acting Executive Director: Sports, Recreation, Arts and Culture a report on the Fruits of Democracy event with an explanation as to why the same names of the winners from the previous years have been reflected on the 2018/19 Annual Report to the next ordinary MPAC meeting.
- (f)

The meeting terminated at 11:50

CHAIRPERSON

APPENDIX “B”:

**Advertisements/Invitations to the public to
comment on the 2018/19 Annual Report**



**nelson mandela bay
MUNICIPALITY**

NOTICE

2018/19 ANNUAL REPORT AND 2019/20 MID-TERM REPORT

OPEN FOR INSPECTION

The 2018/19 Draft Annual Report and the 2019/20 Mid-Term Report of the Nelson Mandela Bay Municipality were tabled in Council on 30 January 2020. The Municipality hereby invites comments from the public on these two reports.

Copies of the reports lie open 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 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: coo@mandelametro.gov.za by not later than **FRIDAY, 6 MARCH 2020**.

Ref. 13 – 12 February 2020

Under the hand of the Acting City Manager, Ms Noxolo Nqwazi

OUR BAY IS RUNNING DRY, SAVE WATER NOW!



**2018/19 ANNUAL REPORT
OPEN FOR INSPECTION**

The 2018/19 Draft Annual Report of the Nelson Mandela Bay Metropolitan Municipality was tabled in Council on 30 January 2020. The Municipality invited comments from the public during February 2020 as part of the oversight process being undertaken on the Report. Due to the National Lockdown and COVID-19 implications, the oversight process was delayed and a further opportunity is herewith provided for residents to make comments on the 2018/19 Annual Report as the oversight process concludes.

The 2018/19 Draft Annual Report is available on the municipal website: 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 e-mail: coo@mandelametro.gov.za by not later than **MONDAY, 20 JULY 2020**.

Ref. 69 - 09 July 2020

Under the hand of the Acting City Manager, Mr. Mvuleni Mapu

THE CITY IS DRY! SAVE WATER TO BEAT COVID-19!