***MINUTES OF DR. NKOSAZANA DLAMINI ZUMA, MPAC MEETING HELD ON THE 21st FEBRUARY 2020 AT 11H00 AM IN THE COUNCIL CHAMBER, CREIGHTON.***

**Present: Cllrs M.T Zikode**

**L. Mncwabe**

**NG. Dlamini**

**M.W. Khumalo**

**Merrs S. Mngadi Public Works and Basic Services**

**S.J. Sondezi Manager: Corporate Services**

**Manager**

**E.J West Internal Auditor**

**P. Mtungwa Deputy CFO**

**Mesdames Z. Mlata Manager: Community Services N.N Vakalisa Strategic Support Services Manager T. Ngobese Committee Officer**

**Leave of Absence M.N Dlamini Councillor**

**N.C Vezi Municipal Manager**

**K.M.B Mzimela CFO**

**J. Mazibuko Manager: Town Planning**

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| **ITEMS** | **MINUTES** | **ACTION & TIMEFRAME** |
| **1.** | ***WELCOME & PRAYER***  The Chairperson officially opened the meeting by greeting and warmly welcoming everyone present. He raised a concern on the issue of Management being absent on meetings as it was agreed upon that all meetings must be attended by all HODs in order for them to respond on issues that might be raised by Members of the Committee.  Cllr L. Mncwabe cited an opening prayer. | **NA** |
| **2.** | ***NOTICE OF THE MEETING***  The Senior Manager: Public Works and Basic Services read the notice convening the meeting. | **NA** |
| **3.** | ***APPLICATION FOR LEAVE OF ABSENCE***   * The Chairperson extended an apology on behalf of Councillor MN Dlamini who was off-sick. * He also extended an apology for the Municipal Manager who was also on sick-leave. * The Deputy CFO extended an apology for the CFO who was attending a training session at the Provincial Treasury Office for the CFO’s. * Mrs. NN Vakalisa apologized for the Community Services Manager who was attending another meeting at Harry Gwala District Municipality.   The Chairperson expressed his discontentment about poor attendance by Heads of Departments and urged the Accounting Officer needs to ensure that his sub-ordinates honor all Oversight Structure meetings as they are very important. | **NA** |
| **4.** | ***ACCEPTENCE OF THE AGENDA***  Councillor. L. Mncwabe requested for a 30 minutes break in order for members to read through the reports since some reports within the agenda were provided to members on the day of the meeting due to their sensitivity.  With Councillor MW Khumalo **PROPOSING** andCouncillor NG Dlamini **SECONDING,** it was unanimously  **RESOLVED**  That the agenda for the Municipal Public Accounts Committee that was held on the 21st February 2020 be accepted. | **NA** |
| **5.** | ***DECLARATION OF INTEREST***  There was no declaration of Interest recorded. | **NA** |
| **6.** | ***ANNOUNCEMENTS***   * The Strategic Support and Services Manager announced that there will be a Special Council meeting on the 27th February 2020 to deal specifically with the Adjustment of the 2019/20 SDBIP and Adjustment Budget. |  |
| **7.** | ***PRESENTATIONS***  There were no presentations recorded. | **NA** |
| **8.** | ***CONFIRMATION OF MINUTES FROM PREVIOUS MEETING***  The Chairperson requested an advice on processes to be followed when rescinding a resolution taken at the previous meeting where the Municipal Manager gave a report on the matter that involved him (which was supposed to be discussed in-committee/in his absentia). The item was dealing with a report on the Investigation of the Mayor, Cllr Gcume and the Municipal Manager on the unauthorized trip to Germany.  Councillor MW Khumalo reminded the Committee about the decision to seek advice from Cogta on the matter above since they were members of the Committee and have not yet received training on the terms of reference however the investigation on the matter needs to be attended to urgently.  Mr. SV Mngadi advised the Committee that the Standing Rules of Order for Council and its Committees permits all Committees to rescind uninformed resolutions. This must be reported to Council that this matter was discussed however the MPAC Committee feels that there were gaps hence it has to be corrected before the matter is resolved.  Mr P Mtungwa quoted from the previous minutes under Item 8 whereby *Cllr MW Khumalo proposed to note the report and also requests that one of the APAC members together with a Representative from COGTA be invited in order to give guidance, support and advices on the above matter, and was SECONDED by Cllr NG Dlamini.*  After a brief deliberation on the matter it was then unanimously,  ***: RESOLVED***  (a)That the report be noted however a request for one APAC member together with a representative from COGTA be invited at the next meeting in order to give guiding support and advice on the above matter.  (b) That he matter was therefore not pending.  (c)That Mrs. NN Vakalisa be tasked to facilitate the convening of a special MPAC meeting whereby the relevant representative Officials from Cogta and APAC Committee would be present in order to finalize the following two reports which require technical advice from local government experts:   * Report on the Investigation of the Mayor, Councillor Z Gcume and the Municipal Manager on the unauthorized trip to German. * Report on the Vehicle Accidents and other Fruitless Expenditure and Wasteful Expenditure Involving the Deputy Mayor, Councillor PP. Shange.   (d) That minutes of the meeting that was held on the 28th of November 2019 be confirmed subject to the rescinding of resolution to read as (a) above. |  |
| **9.** | **REPORT ON THE UPDATE ON ACTIONS BEING TAKEN TO ADDRESS 2018/19 AG FINDINGS AND RECOMMENDATIONS**  A report on the above-mentioned item was presented by Mr. E West.  The purpose of the report was to provide information to the MPAC on progress being made to address the 2018/19 Auditor General’s Audit findings.  Mr. E West informed the meeting that AG had reported that many municipalities were ignoring their reports and recommendations. It is therefore particularly important that this municipality must demonstrate ongoing monitoring and improvement in respect of AG’s findings.  Two documents were attached on the report:   * Management Action Plan with Responses to the 2018/19 Audit report of the AG. * Audit Action Plan with Responses to the 2018/19 management report of the AG.   Councillor MW Khumalo **proposed** to note the report however encouraged that more focus must be put on AG’s recommendations and implement them accordingly and he was was **seconded** by Councillor NG Dlamini.  It was therefore unanimously;  **RESOLVED**  That the report on the update on actions being taken to address 2018/19 AG findings and recommendations be noted.  The Chairperson enquired about the progress on the issue of Payments to be made by Councillors and Staff Members owing the municipality. He further enquired if Management had implemented the decision to deduct from their salaries since the action plan indicates that the completion date would be 29 February 2020.  Mr. P Mtungwa responded by indicating that the staff owing the municipality has started to pay back the money, however with regards to Councillors the Council took a resolution on the previous meeting that sat on the 28th November 2019 to note the recovery process initiated by the Municipal Manager and that the Municipal Manager referred the matter to the attorneys of the Municipality as per the legislation and policy.  The Municipal Manager therefore, had to give responses as to how far was the matter with Attorneys with regards to Councillors owing the Municipality as the Council took a decision to refer the matter to them.  The Chairperson enquired further enquired about the action plan by management to towards AG’s finding in the statement of comparison of budget and actual amounts, the municipality materially underspent by R15,73 million on operational costs and R2,93 million on electrification projects.  Mr. P Mtungwa responded by indicating that they would closely monitor the procurement plan through MANCO meetings, monthly emailing of Budget statements to Senior and middle management as well as Project Managers and also advising management as well as Project Managers on votes that were underspending.  Mrs. NN Vakalisa advised the meeting about the that MPAC’s responsibility of playing an Oversight role. She then suggested that the Committee should draft a schedule/plan to do sites inspection for all ongoing infrastructure projects. Moreover, she enlightened the meeting that quarterly performance reports submitted to Committees should be monitored by all Oversight Structures to ensure their reliability and accuracy.    The Chairperson concurred appreciated the advise to do sites visits and he then and requested Mrs. NN Vakalisa to assist by compiling a schedule for sites visits by MPAC members to inspect all infrastructural projects.  Mr. SV Mngadi indicated that with regards to electrification projects there were two projects that were ongoing on Wards for 2017/18 and 2019/20 financial year due to the underperformance by the service provider. One Service provider had to be terminated due to underperformance for whereby 55 units/households had to be electrified in different wards however service providers for 2019/20 financial year is progressing well  It was then agreed that the Committee would do sites visits for inspection of all infrastructural projects within Dr NDZ LM.  The chairperson again enquired about the action plan by management on findings by AG on issues that Senior management did not implement in terms of adequate review procedures to ensure that the Annual Financial Statements and Annual performance report were accurately prepared and supported by reliable and credible information.  The Deputy CFO: Mr P Mtungwa indicated that they have prepared interim financial statements that will be strictly reviewed by Internal Audit, Management and Provincial Treasury. Quarterly performance reports will be thoroughly reviewed by management, COGTA and Internal Audit.  The Chairperson again asked the action plan by management towards the AG’s findings on the issue of the Internal Audit unit who did not perform adequate reviews of the financial statements and Annual performance report prior to submission for auditing and also did not review compliance with key legislation applicable to the municipality.  Mr P Mtungwa responded by stating that they would do a detailed review of the Interim Financial Statements, a detailed review of the 2019/10 adjusted SDBIP and to focus on particularly on the smartness of performance indicators and targets. A detailed review of the 2020/21 draft SDBIP would be done prior to being signed by the Mayor.  Mr. Mtungwa reminded the Committee that Internal Audit Unit was short-staffed as only Mr E. West was working there on a full-time basis hence the municipality was trying to strengthen the whole unit by recruiting one Internal Audit Officer and an Internal Auditor Manager.  The Chairperson urged all relevant Officials to attend to Auditor General’s findings in order to improve on the overall audit opinion in the next financial year. | **MM**  **Mrs. NN Vakalisa** |
| **10.** | **REPORT RECIEVED FROM THE AUDITOR GENERAL IN RESPECT OF THE AUDIT OF THE 2018/19 FINANCIAL YEAR OF THE MUNICIPALITY**  A report on the above-mentioned item was presented by Mr. West. A copy of the report was attached to the agenda.  The chairperson expressed his concerns about the delays on SCM processes and urge management to deal and to correct findings from AG.  Mr. P Mtungwa stated that all Senior Managers, Bid Committee Members and SCM Practitioners attended a training that was organized by National Treasury office in order to improve on SCM processes.  Finance Department has also developed a SCM checklist which would assist the department in terms of improving on procurement and other compliance matters.  With Councillors MW. Khumalo and L. Mncwabe proposing and seconding respectively it was  **RESOLVED**  That the report received from the Auditor General in respect of the Audit of the 2018/19 Financial Year of the municipality be noted. |  |
| **11.** | **REPORT ON MID-YEAR BUDGET AND PERFOMANCE ASSESSMENT FOR 2019/10 FINANCIAL YEAR IN ACCORDANCE WITH SECTION 72 OF MFMA**  Mrs. NN Vakalisa presented the mid-year performance report for 2019/20 as it was stipulated in the agenda.  She informed the meeting that the purpose of the report was to table the performance of the organization as at the mid- year of 2019/20 to the Municipal Public Accounts Committee for further scrutiny and noting.  With Councillors MW Khumalo and NG. Dlamini proposing and seconding respectivelyit wasunanimously,  **RESOLVED**  That the Mid-Year Budget and Performance report (Section 72 report) on the assessment of the municipality’s performance for first half of 2019/20 financial year be noted. |  |
| **12.** | **REPORT ON THE 2018/19 ANNUAL REPORT FOR DR. NKOSAZANA DLAMINI-ZUMA MUNICIPALITY**  Mrs. NN Vakalisa gave a report on the above-mentioned item which was attached to the agenda.  The purpose of the report was to table the 2018/19 Annual report for scrutiny by the Municipal Public Accounts Committee (MPAC) in accordance with the Council resolution for the meeting that was held on the 23rd January 2020. That MPAC scrutinize and make comments on the 2018/19 Annual taking into consideration other parties’ comments and thereafter prepare an Oversight report that will be tabled to Council before 31 March 2020.  The Chairperson raised a concern on Chapter 3: Service Delivery of the Annual Report that they need a progress report on the implementation plan of service delivery issues from the resolutions they took at the previous strategic planning session.  In response to that query the Strategic Support Services Manager advised the meeting that progress on the resolutions of the Councillors Strategic Planning Session that was held on 24-25 May 2019 in Drankensberg will be presented to the ID/Budget Steering Committee meeting that will be held on 12-13 March 2020 in Durban.  He also raised a concern with regards to prioritization of maintenance roads that since the municipality has hired a panel of service provider to maintain access roads how was this going to benefit local community in terms of youth employment.  The Senior Manager: Public Works and Basic Services advised the meeting that the appointed service providers for the maintenance of access roads would hire local people to perform labour intensive work like grass-cutting, removal of vegetation, fixing of drainage system etc. on all the roads that they would be maintaining in all wards.  On Soft Service Delivery Projects on page 110 of the annual report, the Chairperson advised that the variance amount for the fire truck was too high and that the departments must check the market prices before finalizing their budgets in order to avoid these variances.  The Senior Manager: Community and Social Services Department informed the meeting that the budget variance was due to items that had to be manufactured specifically for this truck as it was a specialized truck.    He also enquired about the accuracy of figures on the lightning conductors supplied to only Ward 6&7.  The Senior Manager: Community and Social Services Department confirmed that 19 Lightning conductors were indeed procured and installed in ward 6&7 as indicated in the annual performance report.  The Municipal Manager was also tasked to constantly monitor late submission of Performance reports by Internal Heads of Departments  On Volume II: Annual Performance report (page…) The Chairperson also raised a concern of poor attendance by government officials on public participation programmes such as IDP road-shows.  The Strategic Support Services Manager reported that the new District Development Model was going to assist in terms of improvement towards an integrated planning approach as such would minimise poor attendance by government departments on public participation programmes.  He was also concerned about poor performance by the Development and Town Planning Department which he said the Municipal Manager has to closely monitor as only one target for the financial year 2018/19 was achieved.  The Chairperson requested more training programmes for the Committee as there were new members of the Committee. This would empower them to play a meaningful oversight role as per the terms of reference of the Committee.  Another concern was raised on the issue of Electrification project for 2018/19 which seem to have been completed in the Annual performance report however a number of households on the ground were not completed for the year ended in 30 June 2018 (2017/18 financial year).  The Senior Manager: Public Works and Basic Services reported that the service provider that was appointed to electrify 55 households in 2017/18 could not complete his work due to financial incapacity and had to be terminated however the 2018/19 electrification projects were completed on time as it was indicated both in the annual report and annual performance report.    Councillor L Mncwabe raised a concern on the gaps identified in the Ward Based Plans and therefore requested that Councillors should be consulted when compiling Ward Based Plans for accuracy of demographics within the Ward Based Plans.  The Strategic Support Services Manager reported that Ward Based Plans were going to be reviewed in preparation for the upcoming financial year and all gaps identified would be rectified in the draft WBP for 2020/21 financial year. She further indicated that the information that the Public Participation was using was sourced from CDWS, Ward Support Clerks who works closely with Ward Councillors.  The Committee emphasized on the importance of compiling a schedule for sites visits whereby all MPAC Members together with Project Managers would attend and these inspections should commence in March 2020.  With Councillors L. Mncwabe and N.G Dlamini proposing and seconding respectively,it was unanimously;  **RESOLVED**  (a)That MPAC having fully scrutinized and considered the Annual Report of Dr Nkosazana Dlamini Zuma Local Municipality for the 2018/19Financial Year, approves the Annual Report of 2018/19 Financial Year without reservations. |  |
| **13.** | ***DATE FOR THE NEXT MEETING***  It was agreed that the date of the next meeting was going to be confirmed with the Office of the Municipal Manager and later communicated to Councillors. |  |
| **14.** | ***CLOSURE***  A prayer leading to closure was done by Miss Z. Mlata and thereafter the Chairperson declared the meeting closed at 13:28. |  |

***The meeting was declared closed at 13:28***

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**Chairperson Date**

**Honourable**

**Cllr. MT Zikode (WHIP)**