

PART 2:

MPAC Questions for Probing of
NDM 2018/2019 Annual Report

MINUTES



**OF THE 2nd (2019/2020) SPECIAL MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE (MPAC) MEETING ON FORMULATION OF PROBING
QUESTIONS BASED ON 2018/2019 UNAUDITED ANNUAL REPORT,
PROJECT SITE VISITS AND 2019/2020 1st QUARTER PERFORMANCE
REPORT**

19 NOVEMBER 2019

MINUTES OF THE 2nd (2019/2020) SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) MEETING ON FORMULATION OF PROBING QUESTIONS BASED ON 2018/2019 UNAUDITED ANNUAL REPORT, PROJECT SITE VISITS AND 2019/2020 1st QUARTER PERFORMANCE REPORT HELD IN COMMITTEE ROOM A50, SECOND FLOOR, SPEAKER'S OFFICE, NKANGALA DISTRICT MUNICIPALITY, 2A WALTER SISULU STREET, MIDDELBURG ON TUESDAY, 19 NOVEMBER 2019, AT 09:00 TO CONSIDER THE ATTACHED AGENDA AS PER THE STANDING RULES AND ORDERS AND TERMS OF REFERENCE.

Attendance Register is attached.

a) Notice of the meeting

The MPAC Researcher, Mr HL Phala read the notice of the meeting.

b) Opening and Welcome

The Acting Chairperson, Cllr PP Moseri thanked the Councillors and welcomed the Chief Audit Executive, Mr A Twala for coming to the meeting and his support. He further addressed the issue of late coming, and emphasised that Councillors should be the first to arrive at meeting venues. He indicated that since MPAC is a Council committee, matters of time management in the committee are important. He reminded councillors that the Committee would fail to hold the Management accountable if members arrive late at the meetings, and that councillors must lead by example. He declared then meeting opened.

c) Applications for leave of absence

Cllr TE Motanyane, MPAC Member – due to ill health

Members agreed and approved the leave as presented

d) Declaration of Interest

None

e) Analysis and Formulation of Probing Questions based on Annual Report

The MPAC Researcher, Mr HL Phala made a presentation on how the MPAC members could deal with the Unaudited Annual Report. He raised the following salient points:

- The Probing of the Annual Report should be guided by MFMA circular 63,
- Cllrs need to make sure that the report contains aspects, information, sections and chapters stipulated in MFMA Circular 63
- MPAC as an Oversight committee should have no limitation about what issues to probe. Members can use even their experiences as community members as references in probing the reports
- Members should check whether the report is readable, clear and understandable even to someone from outside, authoritative in the sense that it is signed off by relevant authorities and it is of acceptable technical quality for example with regard to language use, consistency in numbering and page numbers.

After interrogating the report, the MPAC members agreed that individual members share the chapters of the Unaudited Annual Report to concentrate on and develop probing questions.

The meeting also agreed that probing questionings from the MPAC members should be consolidated, signed off by the Acting MPAC Chairperson and sent to the Mayoral Committee and Management indicating a date on which the response should be submitted to the MPAC so that they could have enough time to go through them before they could meet for oral representations.

The following Questions were raised by MPAC on the Unaudited Annual Report and also on Project Site visits so that they can be submitted to Mayoral Committee and Management to respond:

MPAC QUESTIONS TO EXECUTIVE AND MANAGEMENT BASED ON THE UNAUDITED ANNUAL REPORT FOR 2018/2019 FY

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 5 1. REVISED ANNUAL REPORT TEMPLATE 1.1 To which MFMA circular is this template related? 1.2 Was that circular and template adopted by council? The page numbering of the Report is not consistent. There are some pages which are not numbered, for example is numbered from page 1-101 and then from 140-229. 1.3. What are the reasons for this? 1.4 What does "Error: Bookmark not defined" in the Content part of the report mean?	1.1 1.2 1.3 1.4	
MAYOR'S FOREWORD Page 6-9 2. Mayor's foreword does not reflect the Municipality's strategic alignment to Provincial Growth and Development strategy. What could be reason?	2.	
3. The ownership of Mayor's foreword is not endorsed. Could there be any reason why it was not signed off?	3.	
4. Circular 63 provides the Format of the Annual Report which should be adopted by municipalities with clear reporting details in each Chapter. 4.1 Was this Annual Report Format adopted by council?	4.1	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
4.2 Does the Mayor's Foreword contain all information relating to the topics identified by MFMA circular 63? IF NO what are the reasons? 4.2.1 What is the municipality's strategic alignment to the Mpumalanga Provincial and Growth and Development Strategy? 4.2.2 What corrective actions were taken to ensure that strategic objectives as stipulated in the IDP were achieved? 4.2.3 What methods were used /implemented to improve public participation and accountability in the municipality? 4.2.4 What corrective actions should be employed so that service delivery can be improved?	4.2 4.2.1 4.2.2 4.2.3 4.2.4	
MUNICIPAL MANAGER'S FOREWORD 5. On the MFMA 121 the purpose of Annual Report, the sub-sections are captured in alphabets while on the report there is use of Roman figures. Could this be clarified as why not quoted as the law is written or numbered? 6. The Municipal Manager's Foreword indicates that the municipality's financial base remains limited, because its main source of income is government grants. This confirms the concerns raised by the Audit Committee and the National Treasury that the municipality is budgeting on a deficit. MPAC already asked questions about this and management reported that the municipality has a revenue enhancement strategy.	5. 6.	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
6.1 What is your analysis of the revenue enhancement strategy? Are you succeeding or not? (Please provide copies of the revenue enhancement strategy to the MPAC) 6.2 Who are responsible to drive this strategy? 6.3 What are the measurable targets of the strategy?	6.1 6.2 6.3	
7. The Municipal Manager's Foreword indicates that NDM as going-concern institution, have many of its projects and programme continue into future financial years. 7.1 How do you measure the municipality's going-concern based on the fact that it is budgeting on a deficit and dependent on grants? 7.2 What is the value of the projects and programmes that are taken into future financial years? 7.3 What is the correct financial health of the municipality? 7.4 What is the revenue trend of the municipality by source including borrowings undertaken?	7.1 7.2 7.3 7.4	
Page 12 8. On the Institutional Performance –KPA's (KPI'S) 2017/2018 and 2018/2019 the rating for IDP is N/A. What are the reasons this?	8.	
9. The Circular 63 states that the Annual Report should contain the municipal overview in Chapter 1 which highlights among others information on demographics, economic growth, population, growth and development structures.	9.	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Is there any specific reason why this Annual Report is silent on those?		
10. What are the internal management changes in relation to Section 56 managers as required in terms of Circular 63?	10.	
11. What are the municipality's top 5 risks and what the mitigating factors?	11.	
12. On the SDBIP 2018/2019 12.1 Can you clarify why there is a drop in performance from 95% to 84 %?(a difference of 11%)? 12.2 What measures are put in place to address this and prevent it from happening again?	12.1 12.2	
PROJECTS 2018/2019 13. There is a drop in performance with regard to projects from 89% to 80%. 13.1 What are the reasons for this drop? 13.2 What corrective and preventative measures put in place to curb this from recurring?	13.1 13.2	
14. MFMA Circular 63 (page 12) under format of annual report details out Six Chapters an Annual Report should have. Under which Chapter does page 13 of this Unaudited Annual Report belong?	14.	
Page 18 15. Under alphabet (d), Transfers and Subsidies, reflects 100% non-spending. 15.1. What could be the reason for this non-spending? 15.2 What corrective measures are put in place to prevent this from recurring?	15.1 15.2	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 18 16. Interest, Dividends and Rent on Land. 16.1 What are the reasons for slow implementation of the projects for local municipalities? 16.2 What corrective measures are put in place to curb this from recurring?	16.1 16.2	
Page 19 Employee Related Cost 17.1 How many of the funded posts were not filled by the end of the Financial Year, and why? 17.2 Which Departments are affected? 17.3 What impact does this have on service delivery and the overall municipal performance? 17.4 What measures are put in place to correct this?	17.1 17.2 17.3 17.4	
Page 23 – AG’s report 18. In 2017/2018 the NDM got unqualified opinion. 18.1 Are all the measures contained in the Action Plan to address the Auditor-General’s Findings implemented by the end of the Financial Year? 18.2 If NOT, what were the measures not yet implemented and why? 18.3 Are all MPAC recommendations included in the Oversight report implemented? 18.4 If NOT, why? (NB: Please provide a detailed report showing all the MPAC recommendations contained in the Oversight Report and their implementation)	18.1 18.2 18.3 18.4	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
19. Have all irregular expenditures raised by AG in 2017/18 Audit Report investigated?	19.	
Page 13 GOVERNANCE 20. Under NDM Developmental District-wide Outcomes: The sentence reads: <i>In order to realise our Vision, Nkangala District Municipality in 2017/2018 financial year has worked according to the developed 10 Goals called District-wide Outcomes, referred to as District-wide Outcomes</i> 20.1 Can the sentence be properly rephrased? 20.2 Since the report shows what happened in 2017/18 Financial Year, what was the situation with regard to 2018/19?	20.1 20.2	
Page 27 21. The report lists committees established by council. The MPAC is made to believe that there is also a council committee called "Welfare Committee" in council. 21.1 If this is TRUE, what are the reasons why this committee is omitted in this report? 21.2 How effective is this Welfare Committee?	21.1 21.2	
POWERS AND FUNCTIONS 22. What role does the District municipality play in terms of basic services like water, electricity and housing which the key challenges in the District?	22.	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
23. What programmes and project did the municipality have in 2018/19 with regard to its powers and functions listed below? How successful or unsuccessful were they? 23.1 Promotion of local tourism for the area of the District Municipality? 23.2 The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major portion of the municipalities in the District?	23.1 23.2	
SOCIO-ECONOMIC OVERVIEW (page 15) 24. Can you explain what this paragraph seeks to inform readers about? (NB: The whole paragraph should be re-phrased.)	24.	
DEMOGRAPHICS (page 16) Correct: 25. Why is this item not numbered? (NB: The caption should be properly numbered to ensure consistency in reporting. (NB: The first sentence need to be re-phrased)	25.	
FINANCIAL SERVICES (page 17-22) 26. Can you explain paragraph 2 under Introduction on page 17. (NB: Paragraph 2 under introduction need be re-phrased to indicate clearly the critical functional areas.) UNDER TRANSFERS AND SUBSIDIES: 26.1 Explain this: 199, 45% of budgeted amount was realised for 2018/19. You listed a number of Grants that were allocated to the municipality.	26. 26.1	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
26.2 What was the purpose for each grant and how much was allocated per Grant? 26.3 You state that the Rural Asset Management Grant has not been spent 100% (page 18). 26.3.1 What was the purpose of the Rural Asset Management Grant? 26.3.2 How much was the total allocation of this Grant? 26.3.3 When did the municipality become aware of the Grant? 26.3.4 How much was spend on this Grant allocation? 26.3.5 What were the reasons for non-spending on this Grant?	26.2 26.3.1 26.3.2 26.3.3 26.3.4 26.3.5	
26.3.6 Which department and officials were responsible for the spending of this Grant?	26.3.6	
Page 18 27. Under Interest, dividends and Rent on land (page 18) you indicate that the interest earned in the 2018/19 Financial Year was lower compared to that of 2017/18. 27.1 Can you demonstrate your reasons for this? 27.2 How much was the total budget for transfer and subsidies in 2017/18 27.3 How much was the total budget in 2018/2019? 27.4 How much was spent in this in 2017/18? 27.5 How much was spent in 2018/19?	27. 27.1 27.2 27.3 27.4 27.5	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
UNDER OPERATIONAL REVENUE (page 19) 29.1 What constitute the Operational revenue? 29.2 How much was the budgeted revenue in 2017/18? 29.3 What was the reasons for the variance between the planned and actual in 2017/18? 29.4 How much was collected? 29.5 What was the budgeted revenue in 2018/19? 29.6 How much was collected? 29.7 What was the reasons for the variance between the planned and actual in 2018/19?	29.1 29.2 29.3 29.4 29.5 29.6 29.7	
Page 55 31. Basic Services 31.1 What could be the reasons for households with formal refuse removal to be below 50%? 31.2 What strategies and programmes are there to improve the situation? 31.3 How do you reconcile figures with regard to households with piped water at/above RDP level standing at 86% with the Key Service delivery issues emanating from outreach meetings on page 43 which suggest that water is a critical challenge within the District? 31.4. Why is the municipality depending of 2011 statistics for Basic Service Delivery, and who is the authority of this statistics? 31.5 How does the municipality supplement or close the gaps on data provided by institutions such as Statistics SA when doing planning? 31.6 Does the municipality have its internal data management system? If NOT, why?	31.1 31.2 31.3 31.4 31.5 31.6	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 59 – Water Projects 32. Expenditure in some projects reflects as low as 0%, 4% and 49% respectively. 32.1. What are the causes of this low spending? 32.2. What is being done to improve this situation and ensure it does not recur?	32.1 32.2	
Page 60 and 61 – Sanitation project 33. The report states that all category of B municipalities in Mpumalanga are Water Service Authorities. However, some local municipalities within the District do not have capacity to perform such function. The report also shows capital expenditure on sanitation projects in some instances as low as 0%, 9% and 26%. 33.1 Which are those local municipalities within the District that does not have capacity to perform their water functions? 33.2. What interventions are in place to ensure that this basic service is provided to communities? 33.3. Have the District Municipality highlighted these capacity challenges to the relevant authorities and what are their responses? 33.4. What could be reasons for non- spending and what are corrective measures put in place to curb recurrence in future?	33.1 33.2 33.3 33.4	
Page 79 34. Why the inspection done were only mainly about AEL Pre-licencing instead of performing enforcement?	34.	
35. Where is Annexure A on page 111?	35.	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 143 36. Which part of the report does Appendix D relate to and if this appendix is part of Annual report. Can we be provided with POE for the 1st Quarter of Ward committee meeting's minutes of Thembisile Hani ward 18 and ward 4, the 2 nd Quarter for Dr JS moroka ward 13 and ward 2?	36.	
Page 35 37. The picture of General Manager: Planning and Economic Development is depicted without his functions like those of other General Managers. What are the reasons for this?	37.	
Page 39 District Municipal Public Accounts Forum 38.1 How was this structure established without Terms of Reference? 38.2 How far is the process of the finalisation of the Terms of reference for the District Municipal Public Accounts Forum?	38.1 38.2	
Page 39 39. On which date was the Provincial launch of the NAMPAC hosted by NDM?	39.	
Page 39 40. How many times did the Premier intergovernmental Co-ordination Forum meet?	40.	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 26 41. The report states that the Nkangala Municipal Council resolved to have 10 sittings in the 2018/19 Financial Year 41.1. Did council managed to have all 10 sittings as resolved? 41.2. Did all councillors managed to honour council meetings as arranged? If there were councillors who failed to honour council meetings and apply leave of absence as required what were actions taken against them?	41.1 41.2	
Page 27 42. The report states that NDM council established six (6) committees to assist the Executive Mayor in discharging her duties. 42.1 Were those committees able to discharge their responsibilities? 42.2. Did the Executive Mayor delegate any powers to those committees or their Chairpersons? If NOT, what are the reasons and how does the Executive Mayor able to hold them accountable if no powers are delegated to them?	42.1 42.2	
Page 29 43. Council appointed the Audit and the Risk Committees to provide independent advice to council, executive and administration 43.1. How many recommendations were given by these committees in 2018/19 Financial Year? 43.2. How many of those recommendations were not implemented and what were the reasons?	43.1 43.2	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
43.3. If there were recommendations not implemented, which departments were responsible and what actions were taken against the officials in those departments?	43.3	
Page 53 PUBLIC SATISFACTION ON MUNICIPAL SERVICES 44. The report states interesting figures on public satisfaction survey with regard to communication at 38.6%, road construction and maintenance at 42% and biodiversity at 24.2%. 44.1. Who conducted the survey and how? 44.2 Does Executive and Management agree with these findings? If YES what could be the contributing factors to this low scores? 44.3 Does the municipality have adequate resources (Financial and Human Capital) and strategies to improve the situation? If YES, outline them.	44.1 44.2 44.3	
Page 37 45. Municipal Managers, Mayors and Speakers Forums 45.1. How many meetings were scheduled for these forums in 2018/19 Financial Year? 45.2. Did all the meetings sit as scheduled, and if NOT, why? 45.3. Did all Municipal Managers, Executive Mayors and Speakers attend their respective meetings? If NOT, who were those Municipal Managers, Executive Mayors and Speakers who fail to attend and their reasons?	45.1 45.2 45.3	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
48.1 How far was the council resolution relating to non-attendance of Sector Departments implemented? 48.2. Who were those Sector Departments affected? 48.3 How did COGTA resolve the matter? 48.4 How far was the council resolution with regard to Oversight visits implemented and what were the findings? 48.5 How does the District address the Key service delivery issues emanating from outreach meetings as reported on page 43 of the report? 48.6 What is the budget breakdown allocated to each of these 6 (six) Key Service Delivery issues in the 2019/2020 Financial Year?	48.1 48.2 48.3 48.4 48.5 48.6	
Page 46 49 Risk Management Low grading of the municipality has been a grave concern to both council and labour. The report indicates that you have achieved on "follow-up on progress on the finalisation of the grading process and implemented the graded jobs as per the job evaluation report. 49.1 When was the follow-up on the finalisation of the grading process done and what were the results? 49.2 What job evaluation report is referred to here and when will it be done? 49.3 How many jobs were affected by the grading and what is the financial implication (costs) if any?	49.1 49.2 49.3	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 51 50.SCM 50.1 What was the targeted reduction of deviations set for 2018/19 Financial Year? If NO target was set, what were the reasons? 50.2 What were the reasons for regression in attendance to meetings by Bid Committees? 50.3 What actions were taken against those bid committee members who contributed to the regression if any? 50.4 What regression did this regression have on service delivery? 50.5 Was attendance to Bid Committee meetings included in the performance agreements of respective officials to ensure accountability? If NOT, why? 50.6 Did all Bid Committee members and the Broader Management attend the trainings on SCM organised for them? If NOT, what were the reasons and what corrective actions were taken against those who did not attend?	50.1 50.2 50.3 50.4 50.5 50.6	
Page 63 51 Roads and Storm Water 51.1 Since 2015/2016 to date the District never graded or maintained any gravel road. Is grading of gravel roads not part of the District municipality's strategies? If YES, how are the communities who use gravel roads assisted where their roads are impassable?	51.1	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
51.2 Was developing designs the only target for 2018/19 with regard to roads and storm water? 51.3 How could it take you the whole year to develop designs? Why was the projects not implemented?	51.2 51.3	
Page 67 Planning Development 52. The report indicates that there are 28 application that are pending at the end of the Financial Year 2018/19. What were the reasons for that? 53. There are 14 projects that were at 0% spending while 6 were still under 50% spending. 53.1 What were the reasons for situation? 53.2 What was the total budget allocated to Economic Development Services in the 2018/19 Financial Year and how much was not spent? 53.3 Since the municipality adopted Zero budgeting approach, what motivation was put forward by the responsible department that convinced the Finance Department to allocate this amount to the department? 53.4 How did this non spending affect service delivery? 53.5 How much was allocated to the Economic Development Services for 2019/2020 considering this non spending? 53.6 What mechanisms are in place to ensure spending moving forward?	53.1 53.2 53.3 53.4 53.5 53.6	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 68 54. Local Economic Development (Including Tourism and Market Places) The Report explicitly explains the goals of the LED and the fact that NDM is the main economic hub in the Mpumalanga Province. 54.1 What was the municipality's targeted number of job creation in relation to the National target? 54.2 Did the municipality achieve that target? If NOT why? 54.3 The figures of EPWP Projects and Jobs created through EPWP projects show a decline. What could be the cause of this? 54.4 From the municipality's internal sources for example infrastructure development projects and other services how many jobs were created in the 2018/19 Financial Year? 54.5 Since Women and Youth are the most critically affected sectors in terms of unemployment, what is the total jobs created for youth and women respectively in the 2018/19 Financial Year? 54.6 With regard to NEDA what was the milestone schedule for 2018/19 and how far was it realised? In cases where targets were not met, what could have been the reasons?	54.1 54.2 54.3 54.4 54.5 54.6	
Page 73 55 Community and Social Services 55.1. How many job opportunities were created for people with disabilities in the 2018/19 Financial Year?	55.1	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
55.2 One of the challenges raised by people with disabilities was with regard to Social housing. How did the Executive Committee assist to resolve these issues as raised during the IDP/Budget indaba in April 2019? 55.3 What is the HIV/AIDS statistics in the District? How effective are the programmes run within the District in decreasing the HIV/AIDs statistics? 55.4. Unemployment among the youth is said to be high in the South Africa. The Youth Development Report however does not say much about Youth Unemployment in the District including initiatives undertaken to address this challenge. What could be the reason for this? 55.5 What were the programmes initiated in the 2018/19 focusing on youth employment and how successful were they? 55.6 The report indicates that youth is not benefitting from mineral wealth within the District. What are the reasons for that? What initiatives have been taken to address this? 55.7 What are the milestones agreed upon in the 18th June 2019 Skills Development Summit? 55.8 How many young people attended the Summit and what was the breakdown in terms of Local Municipalities within the District? 55.9 What was the total budget for Youth Development in the 2018/19 Financial Year and how much was spent?	55.2 55.3 55.4 55.5 55.6 55.7 55.8 55.9	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
56. Disaster Incidents (No page number) The report states one incident of community protest in Dr JS Moroka Local Municipality. 56.1 Was this the only community protest that was recorded in the District in 2018/19 Financial Year? 56.2 How were the reasons for the protest addressed to ensure that the protests do not recur? 56.3 During the MPAC site visits it was reported that in some instances community members disrupt some Municipal Programmes demanding that they be given tenders to an extend that the affected departments are contemplating doing away with Project Site Inspections and establishment of Project Steering Committees. What programmes to you have the address issues of this nature?	56.1 56.2 56.3	
Page....??? 57.Information and Communication Technology (ICT)Services 57.1 Who comprises the ICT Steering Committee and what are functions of this committee? 57.2 The reports states that laptops are provided to both management and councillors with Tablets. Since there has been a serious concern from councillors about their tablets what measures have you put in place to address their challenges? 57.3 What was your target turn-around time to attend to ICT related breakdowns in 2018/19.	57.1 57.2 57.3	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Have you achieved that target in the 2018/19 Financial Year?		
Page.....??? 58 Trade and Investment Promotion within the District 58.1 For which Financial Years are the R330 million investment projects? 58.2 How many SMMEs were assisted with each of the 7 services listed in the report?	58.1 58.2	
Page.....??? 59. Skills Development and Training 59.1 What are the correct figures on the Skills Development Expenditure for 2018/2019 since the figures for the Actual does not correspond with the total of R 2 158 084 in the report?	59.1	
Page 152-227 60 Performance of the External Service Providers There are service providers which scored less than 3 in terms of the scale provided in the report. 60.1 What actions have you taken against each of the service providers? 60.2 Who funded the shortfall for projects which were completed outside the allocated budget and what was the total expenditure on that shortfall if any? 60.3 How were these service providers which performed poorly procured?	60.1 60.2 60.3	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page...?? 61 PMS 46 officials qualified for Performance Bonuses in 2018/19 evaluations 61.1 What is the total R-value of the performance bonuses? 61.2 Was the Oversight Report on the 2017/18 Annual Report and the Auditor-General considered when conducting the performance evaluations? If NO, why? 61.3 The report suggests that the Municipal Manager followed a particular process to evaluate performance of municipal officials. However that process is not outlined in the report. What could be the reason for that? Can the process be outlined as suggested by the report? 61.4 Were all municipal officials evaluated? If NOT, what were the reasons? What actions have been taken against those officials who did not comply with the municipality's PMS policy? (NB: Provide detail in each action taken if any.)	61.1 61.2 61.3 61.4	

MPAC QUESTIONS TO EXECUTIVE AND MANAGEMENT BASED ON PROJECT SITE VISITS

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
1. Yellow Machine 1.1. What did the NDM do to ensure that yellow machine as supplied to the local municipalities are put in use to avoid them remaining unused for such a long time and finally amounting becoming fruitless and wasteful expenditure? 1.2. How does the NDM satisfy itself before allocating funds to projects requested by local municipalities that indeed those projects are priority needs of the community to avoid a situation where they become white elephants?	1.1 1.2	
2. Business Creation and Expansion SMIME(Youth) NDM 2.1 Was this project part of the municipality's support strategy to the youth? 2.2. How many beneficiaries were targeted with this project? 2.3. Were the beneficiaries provided with skills to manage the project including its marketing? 2.4. Who is the dedicated official/s to work with beneficiaries on this project?	2.1 2.2 2.3 2.4	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
2.5. When will the project be handed over to the beneficiaries and title deeds given to them as requested? 2.6. How much was spend on the project?	2.5 2.6	
3. Installation of Bulk Infrastructure at Gugulethu 3.1. What assistance if the NDM providing to the local municipality to ensure that the envisaged township establishment is realised and the infrastructure already put is not fruitless? 3.2. How long is it envisaged to take the local municipality to finalise the township establishment process?	3.1 3.2	
4. Upgrading of WWTW at Thubelhle 4.1. Why did the municipality allow connection of electric wire through the window that exposes people to serious risks? 4.2. What programmes does the municipality have to ensure that small businesses are sub-contracted? 4.3. What is the total cost of the project and how much was spent on sub-contractors? 4.4. Why did the municipality dictate to the sub-contractor the places to purchase material that finally led to him withdrawing from the project?	4.1 4.2 4.3 4.4	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
5. Upgrading of Klarinet Ext 2,3 and Pne Ridge Sewer 5.1. What processes are followed by NDM when implementing the projects to ensure all stakeholders are taken on board? 5.2. What are the reasons why Project Steering Committees were not established where projects are implemented? 5.3. What safety mechanisms are put in place to ensure that people are not exposed to environmental hazards and other risks during implementation of projects? 5.4. Do all service providers' safety files checked by the municipality and who is responsible to do that? 5.5. How does the municipality deal with service providers who do not comply with health and safety regulations, including provision of protective clothing to their employees?	5.1 5.2 5.3 5.4 5.5	
6. Upgrading of Pap and Vleis Outfall Sewer 6.1 Why did the municipality built manholes in the yards of community members? 6.2 What risks does this manholes have to the people in those yard and how is the municipality going to address them if any?	6.1 6.2	

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
6.3 How is the municipality ensuring that Main Contractors pay invoices to the sub- contractors to avoid a situation where small businesses are kept out of business?	6.3	

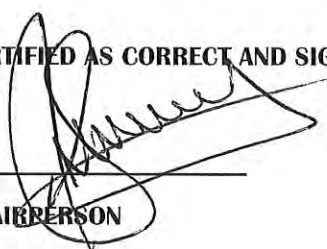
f) **Closure**

The Acting Chairperson thanked the members of the Committee and the staff for availing themselves to the meeting and for their participation in probing the Annual Report. He further indicated that the Councillors if they had additional questions they could still to add so that as the committee they would be in a position to submit a credible report to council with clear recommendations.

MEETING TERMINATED AT 15H56

CERTIFIED AS CORRECT AND SIGNED BY CHAIRPERSON ON

21/02/2020



CHAIRPERSON

MINUTES



**CONTINUATION OF THE 4th (2019/2020) SPECIAL MUNICIPAL PUBLIC
ACCOUNTS COMMITTEE (MPAC) MEETING TO CONSIDER THE
2018/2019 AUDITED ANNUAL REPORT AND CONSOLIDATION OF
PROBING QUESTIONS**

31 JANUARY 2020

MINUTES OF CONTINUATION OF THE 4th (2019/2020) SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) MEETING TO CONSIDER THE 2018/2019 AUDITED ANNUAL REPORT AND CONSOLIDATION OF PROBING QUESTIONS HELD IN COMMITTEE ROOM D45, BLOCK D, FIRST FLOOR, NKANGALA DISTRICT MUNICIPALITY, 2A WALTER SISULU STREET, MIDDELBURG ON FRIDAY, 31 JANUARY 2020, AT 10:00 TO CONSIDER THE ATTACHED AGENDA AS PER THE STANDING RULES AND ORDERS AND TERMS OF REFERENCE.

Attendance Register is attached.

(a). Notice of the meeting

The Acting Corporate Services – GM, Mr MJ Nhlapho read the notice of the meeting.

b) Opening and Welcome

The Chairperson, Cllr XS Ngwenya asked all to observe a moment of silence and meditation. He thereafter declared the meeting opened. The Chairperson thanked the members of the committee, the other section 79 Chairpersons, the Audit Committee Chairperson and Treasury for coming again to the meeting and welcomed them. He further requested members to concentrate only on the two items that were left the previous day so that the meeting could finish early.

c) Applications for leave of absence

Cllr MR Nkoane, Social Services- due to attending a Memorial service
Cllr LF Khumalo: Technical Services, due to ill health

Members agreed and approved the leaves as presented

d) Declaration of Interest

None

e) Announcements

None.

f) Reports of the Municipal Manager

The members concentrated on the responses received from the Mayoral Committee and Management about the 2018/19 Unaudited Annual Report and MPAC Project Site Visits. The members then developed and consolidated questions based on the 2018/19 Audited Report.

ITEMS IN DISCUSSION

DM-MPAC05/01/2020

MPAC QUESTIONS TO EXECUTIVE AND MANAGEMENT BASED ON THE UNAUDITED ANNUAL REPORT FOR 2018/2019 FY

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 5 1. REVISED ANNUAL REPORT TEMPLATE 1.1 To which MFMA circular is this template related? 1.2 Was that circular and template adopted by council? The page numbering of the Report is not consistent. There are some pages which are not numbered, for example is numbered from page 1-101 and then from 140-229. 1.3. What are the reasons for this?	PMS	1.1 Circular 63 of the MFMA 1.2 Yes, The council adopted the Circular 63 format but not the reporting deadlines. The Circular 63 reporting time lines are not aligned to Section 121 of the Municipal Financial Act (MFMA). The MFMA supersedes the Circular 63. The purpose of the circular is to guide the municipality on how to develop annual report and the key deadline are not align with the MFMA. Therefore, Nkangala District Municipality (NDM) adopted the format of the Circular 63 and implementing reporting deadlines as per the MFMA required. Attached is Council Resolution. NDM has been implementing MFMA dead line for the past years and Auditor General raised no issues regarding the implementation. There is no Council Resolution found on the municipal records. 1.3. It was as a result of an oversight. Follow-up Question a) Was proof reading done on the report? If yes, Why wasn't this corrected? 1.4. It is a format issue and it will be rectified going forward.	Response Accepted Response Accepted Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
1.4 What does "Error: Bookmark not defined" in the Content part of the report mean?			
MAYOR'S FOREWORD Page 6-9 2. Mayor's foreword does not reflect the Municipality's strategic alignment to Provincial Growth and Development strategy. What could be reason?	Executive mayor's office	2. It was an oversight and to be corrected before it goes for adoption by Council in the next Financial. (To indicate national/provincial PGDS). Follow-up Question b) Why was the format of Mayor's Foreword not followed as indicated in circular 63? c) Can you explain what do you mean by oversight?	THAT the foreword needs to reflect what is indicated in circular 63 before is made public.
3. The ownership of Mayor's foreword is not endorsed. Could there be any reason why it was not signed off?	PMS	3. Mayor's foreword on the Annual report has been signed by the Executive Mayor. The office of MPAC requested the softcopy not hard copies to prepare for the agenda. Attached Annual Report.	Respond not Accepted All documents submitted to MPAC must be final and signed, whether soft or hardcopy
4. Circular 63 provides the Format of the Annual Report which should be adopted by municipalities with clear reporting details in each Chapter. 4.1 Was this Annual Report Format adopted by council?	PMS	4.1 Yes, The council adopted the Circular 63 format but not the reporting deadlines. The Circular 63 reporting time lines are not aligned to Section 121 of the Municipal Financial Act (MFMA). The MFMA supersede the Circular 63. The purpose of the circular is to guide the municipality on how to develop annual report and the key deadline are not align with the MFMA. Therefore, Nkangala District Municipality (NDM) adopted the format of the Circular 63 and implementing reporting deadlines as per the MFMA required. Attached is Council Resolution. NDM has been implementing MFMA dead line for the past years	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
		and Auditor General raised no issues regarding the implementation. There is no Council Resolution found on the municipal records. Follow-up Question d) Can Management highlight the deadlines that they have adopted? The MFMA reporting deadlines be submitted as POE to MPAC. See page 25 of Annual report Do you follow the Circular as indicated on your response? Can the Council Resolution be submitted because it wasn't attached	
4.2 Does the Mayor's Foreword contain all information relating to the topics identified by MFMA circular 63? IF NO what are the reasons? 4.2.1 What is the municipality's strategic alignment to the Mpumalanga Provincial and Development Strategy? 4.2.2 What corrective actions were taken to ensure that strategic objectives as stipulated in the IDP were achieved?	PED PMS /PED	4.2 No, the Mayor's foreword did not cover the entire element applicable to Nkangala District municipality, in that it did not provide the National/Provincial PGDS). Follow-up Question e) Why does it not cover the entire element applicable to Nkangala District Municipality? 4.2.1 The alignment of the municipality's strategic plan with the Mpumalanga Provincial Growth and Development Strategy is captured in the NDM Vision 2030 as approved by council and will form part of the current IDP review 2020/21. 4.2.2 the eight strategic objectives in the IDP have been linked to Key Performance areas of Departments and form part of the performance agreement of General Managers and Municipal Manager. The SDBIP is used to monitor quarterly to council the implementation of the IDP and report to council and other oversight committees. Follow-up Question	THAT the foreword needs to reflect all the elements as indicated in circular 63. Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
4.2.3 What methods were used /implemented to improve public participation and accountability in the municipality?		d) Can Management provide MPAC with proof to show that there is improvement? 4.2.3 The Municipality conducts committee outreach forums in all six (06) municipalities and there are established IGR Forums which advocates for public participation and accountability. Follow-up Question e) Please provide evidence of the IGR Forums and outreach meetings which were held. See page 44 of annual Report on outreach meetings. - Can you tell us what strategy or methods are you using to improve the Public Participation?	
4.2.4 What corrective actions should be employed so that service delivery can be improved?		4.2.4 The Municipality developed an acceleration plan for implementation of the infrastructure investments projects. The municipality conducted a Community Satisfaction Survey and the issues raised through community survey are being implemented in the current financial year. Follow-up Question f) Provide an example of the acceleration plan that was achieved in time? g) Provide the Annual procurement plan that shows all projects that were planned for the FY as requested by Treasury in the beginning of the year and informed by MFMA circular 62.	Can the acceleration plan come in a report form from internal audit to show if it was done and achieved?
MUNICIPAL MANAGER'S FOREWORD	PMS		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
5. On the MFMA 121 the purpose of Annual Report, the sub-sections are captured in alphabets while on the report there is use of Roman figures. Could this be clarified as why not quoted as the law is written or numbered?		5. Management acknowledges the error and such shall be rectified going forward.	Response Accepted
6. The Municipal Manager's Foreword indicates that the municipality's financial base remains limited, because its main source of income is government grants. This confirms the concerns raised by the Audit Committee and the National Treasury that the municipality is budgeting on a deficit. MPAC already asked questions about this and management reported that the municipality has a revenue enhancement strategy.		6. The Deficit is financed through Cash Back. Follow-up Question i) The revenue enhancement strategy has targets, Can you tell us if this is achieved? J) What plan do you have to grow the Investment?	Response not Accepted
6.1 What is your analysis of the revenue enhancement strategy? Are you succeeding or not? (Please provide copies of the revenue enhancement strategy to the MPAC)	Office of Municipal Manager	6.1. A Revenue Enhancement Strategy was adopted by Council, see the attached strategy . Implementation of Costs Containment Regulations curtails the exorbitant expenditure and as such Follow-up Question k) We need to know if the strategy is working and achievable, Can you Provide proof?	Response not Accepted The Revenue Enhancement Strategy is not attached

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
6.2 Who are responsible to drive this strategy?		6.2 The Revenue Enhancement Strategy is implemented by Management. Follow-up Question l) Can you be specific on who does what and how? If the strategy fails who is to be held accountable? Who is management?	Response not Accepted
6.3 What are the measurable targets of the strategy?		6.3 There are no measurable targets. Follow-up Question m) How can you have a strategy that has no measurable strategy?	Response Not Accepted
7. The Municipal Manager's Foreword indicates that NDM as going-concern institution, have many of its projects and programme continue into future financial years. 7.1 How do you measure the municipality's going-concern based on the fact that it is budgeting on a deficit and dependent on grants?	Finance department	7.1. Deficit will be funded through cash reserves and the going concern will be assessed through liquidity and solvency ratios. Follow-up Question n) Provide those liquidity and solvency ratios? Tell us the sustainability of those cash reserves. o) Can you provide us with a comparative analysis of the past three years and the focus of the next two years in a graph form.	
7.2 What is the value of the projects and programmes that		7.2 R135 659 000 for 2020/2021 R97 060 000 for 2021/2022	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
are taken into future financial years?		Follow-up Question p) Why is there a decline?	
7.3 What is the correct financial health of the municipality?		7.3 The Financial health is determined by positive liquidity and solvency ratios which indicates the municipality's ability to meet their financial obligations when they become due.	
7.4 What is the revenue trend of the municipality by source including borrowings undertaken?		7.4 The revenue will increase by 1.73% from 2019/2020 to 2020/2021 and by 2.41% from 2021/2022 to 2021/2022 by 2.45% respectively. Follow-up Question q) Give a breakdown of revenue source and the percentage of its growth.	Response not Accepted
Page 12 8. On the Institutional Performance –KPA's (KPI'S) 2017/2018 and 2018/2019 the rating for IDP is N/A. What are the reasons this?	PMS unit	8. Initial reporting was based on departmental performance and it is currently based on KPAs.	Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS								
9. The Circular 63 states that the Annual Report should contain the municipal overview in Chapter 1 which highlights among others information on demographics, economic growth, population, growth and development structures. Is there any specific reason why this Annual Report is silent on those?	PMS	9. Information on demographics, economic growth, population, growth and development structures is included on chapter one of Annual Report page 16-19. Therefore it is not silent.	Response Accepted								
10. What are the internal management changes in relation to Section 56 managers as required in terms of Circular 63?	Corporate services department	10. Only change was the appointment of GM: Technical services who was appointed on 1 March 2019.	Response Accepted								
11. What are the municipality's top 5 risks and what the mitigating factors?	Risk	<table border="1"> <thead> <tr> <th>No.</th><th>Risks/ Threats to achieving objective or planned output</th><th>Root cause/ Contributing factors</th><th>Future action/ Treatment plan</th></tr> </thead> <tbody> <tr> <td>01</td><td>Inability to achieve financial sustainability</td><td>Low revenue income</td><td>Assist VKLM (Valuation roll and Emakhazeni (By laws) all</td></tr> </tbody> </table>	No.	Risks/ Threats to achieving objective or planned output	Root cause/ Contributing factors	Future action/ Treatment plan	01	Inability to achieve financial sustainability	Low revenue income	Assist VKLM (Valuation roll and Emakhazeni (By laws) all	
No.	Risks/ Threats to achieving objective or planned output	Root cause/ Contributing factors	Future action/ Treatment plan								
01	Inability to achieve financial sustainability	Low revenue income	Assist VKLM (Valuation roll and Emakhazeni (By laws) all								

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES				MPAC RECOMMENDATIONS/COMMENTS
					other Local Municipalities with their by-laws.	
				Declining nature of equitable share	Engage National Treasury for other sources of revenue	
				Negative national credit rating affecting borrowing powers on Local Municipalities	To be elevated to Council	
				Lack of effective and efficient expenditure control in Local Municipalities	Continue with the SCM/ debt collection system	
					Training and development of Leadership on efficient and effective management skills	
		02	Inadequate organizational performance	Inadequate leadership		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS																				
		<table border="1"> <tr> <td rowspan="6">03</td><td rowspan="6">Inadequate support of SMME's, cooperatives and informal traders</td><td>Lack of phase in approach</td><td>Implement the programme on financial and non-financial support</td></tr> <tr> <td>High levels on unemployment</td><td>Engage stakeholders(SEFA)</td></tr> <tr> <td>Lack of understanding/ clarity on government policies.</td><td>Conduct workshops for SMME'S</td></tr> <tr> <td>Public and Private institutions working in silos</td><td>Quarterly LED forums</td></tr> <tr> <td>Inadequate funding</td><td>Engage stakeholders(SEFA)</td></tr> <tr> <td>Business plans for SMME's that are not bankable</td><td>Development a MOU with SEDA</td></tr> <tr> <td rowspan="2">04</td><td rowspan="2">Inadequate provision of basic environmental health services</td><td>Inadequate skills</td><td>Training of officials to be peace officers</td></tr> <tr> <td>Outdated procedure manual.</td><td>Reviewing the procedure manual</td></tr> </table>	03	Inadequate support of SMME's, cooperatives and informal traders	Lack of phase in approach	Implement the programme on financial and non-financial support	High levels on unemployment	Engage stakeholders(SEFA)	Lack of understanding/ clarity on government policies.	Conduct workshops for SMME'S	Public and Private institutions working in silos	Quarterly LED forums	Inadequate funding	Engage stakeholders(SEFA)	Business plans for SMME's that are not bankable	Development a MOU with SEDA	04	Inadequate provision of basic environmental health services	Inadequate skills	Training of officials to be peace officers	Outdated procedure manual.	Reviewing the procedure manual	
03	Inadequate support of SMME's, cooperatives and informal traders	Lack of phase in approach			Implement the programme on financial and non-financial support																		
		High levels on unemployment			Engage stakeholders(SEFA)																		
		Lack of understanding/ clarity on government policies.			Conduct workshops for SMME'S																		
		Public and Private institutions working in silos			Quarterly LED forums																		
		Inadequate funding			Engage stakeholders(SEFA)																		
		Business plans for SMME's that are not bankable	Development a MOU with SEDA																				
04	Inadequate provision of basic environmental health services	Inadequate skills	Training of officials to be peace officers																				
		Outdated procedure manual.	Reviewing the procedure manual																				

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES				MPAC RECOMMENDATIONS/COMMENTS
				Inadequate implementation of the by-laws (Fine list submitted and awaiting approval by magistrate.	Ensure full implementation of the by law tariffs.	
		05	Inadequate reduction of service delivery backlogs	Decreased natural resources	Augmentation of natural resources (Moloto bulk water supply, bulk water supply from Phola to Wilge)	
				Limited Financial resources	Investigation for possible funding	
				Ageing Infrastructure	Replacements of AC pipes	
				Lack of technical expertise in Local Municipalities	Upgrading of roads and Storm water	
12. On the SDBIP 2018/2019 12.1 Can you clarify why there is a drop in	PMS	12.1. Good governance and public participation: - Two MPAC meetings could not sit due to lack of quorum - Two Public Participation meetings at Victor Khanye Local Municipality couldn't held due to security threats, and				

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
performance from 95% to 84 %?(a difference of 11%)?		one at Emalahleni Local Municipality due to miscommunication of venue. - Two LLF meetings did not sit due to lack of quorum - NDM file plan not submitted to council due to delay in the approval by provincial archived. LED - On EPWP there were few capital projects under implementation during 2018/2019, which affected the numbers because of local content delays. - The adverts were extended via an erratum at the request of Local Municipalities, this led to a delay in appointing beneficiaries/ SMMEs for the programme <u>Follow-up Question</u> - What was the target of the EPWP capital projects for 2018/2019 FY? - Can you list the number of beneficiaries which were supposed to be placed on those projects and which are those capital projects? MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT AND BASIC SERVICES DELIVERY 12.2. The report on Annual performance report is included on chapter 5 of the annual report, challenges, which are reasons for non-achievement, are stated and remedial actions are in the report.	
12.2 What measures are put in place to address this and prevent it from happening again?			Response not Accepted Give us measures not the report
PROJECTS 2018/2019 13. There is a drop in performance with regard to projects from 89% to 80%.	All departments		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
13.1 What are the reasons for this drop?		PED 13.1 74% was spent on capital projects. Delay in appointment of service providers due to the re-advertisement of projects because of challenges experienced with the local content item in the infrastructure projects tender documents. Therefore LED KPA for 2017/18 the performance was 100%, which dropped to 75% in 2018/19. In total there were four projects and one was not achieved (the target was 25 SMMEs supported with tools and equipment). The project was delayed by the extension of call for submission of proposals from SMMEs at the request of Local municipalities, as well as the verification process of qualifying SMMEs. Provide the list of those projects 13.2 Training on local content was provided to Management. Follow-up Question - When was it provided? Was it before or after the Adverts? 14. Page 13 is part of the Executive summary which forms part of chapter one.	
13.2 What corrective and preventative measures put in place to curb this from recurring?			
14. MEMA Circular 63 (page 12) under format of annual report details out Six Chapters an Annual Report should have. Under which Chapter does page 13 of this Unaudited Annual Report belong?	PMS		Response Accepted
Page 18	Finance and Technical		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS			
15. Under alphabet (d), Transfers and Subsidies, reflects 100% non-spending. 15.1. What could be the reason for this non-spending? 15.2 What corrective measures are put in place to prevent this from recurring?		15.1 The contract of the appointed Service Provider came to an end in April 2019 and a new Service provider had to be procured, hence the rollover was requested. 15.2 Monitoring of Contracts has been centralised in the SCM and the Electronic Contract Management System monitors the contract management and sends reminder on the lapsing of contracts. Follow-up Question - If the SCM has electronic system that sends reminder messages, Why do we still have that gap of improving how we do our business to the point the work got delayed to be done?	Response Accepted			
Page 18 16. Interest, Dividends and Rent on Land. 16.1 What are the reasons for slow implementation of the projects for local municipalities? 16.2 What corrective measures are put in place to curb this from recurring?	Finance	16.1 The projects started late as a result of local content 16.2 Training was provided	Response Accepted			
Page 19 Employee Related Cost 17.1 How many of the funded posts were not filled	Corporate services	17.1 <table><tr><td>Department/Unit</td><td>Position</td><td>Level</td></tr></table>	Department/Unit	Position	Level	Response Accepted
Department/Unit	Position	Level				

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS																							
by the end of the Financial Year, and why?		<table><tr><td rowspan="4">Social Services</td><td>Control Room Operator</td><td>10/9</td></tr><tr><td>Snr Fire Fighter</td><td>9/9</td></tr><tr><td>Jnr Fire Fighter</td><td>10/9</td></tr><tr><td>Community Service x 2</td><td>N/A</td></tr><tr><td>Finance</td><td>2 x Finance Interns</td><td>N/A</td></tr><tr><td rowspan="2">Corporate Services</td><td>Committee Clerk</td><td>8/9</td></tr><tr><td>Messenger/Driver</td><td>12/9</td></tr><tr><td>PED</td><td>EPWP Data Capturer</td><td>N/A</td></tr><tr><td>Exec Mayors' office</td><td>Secretary to the Executive Mayor</td><td>6/9</td></tr></table>	Social Services	Control Room Operator	10/9	Snr Fire Fighter	9/9	Jnr Fire Fighter	10/9	Community Service x 2	N/A	Finance	2 x Finance Interns	N/A	Corporate Services	Committee Clerk	8/9	Messenger/Driver	12/9	PED	EPWP Data Capturer	N/A	Exec Mayors' office	Secretary to the Executive Mayor	6/9	Response noted
Social Services	Control Room Operator	10/9																								
	Snr Fire Fighter	9/9																								
	Jnr Fire Fighter	10/9																								
	Community Service x 2	N/A																								
Finance	2 x Finance Interns	N/A																								
Corporate Services	Committee Clerk	8/9																								
	Messenger/Driver	12/9																								
PED	EPWP Data Capturer	N/A																								
Exec Mayors' office	Secretary to the Executive Mayor	6/9																								
17.2 Which Departments are affected?		Follow-up Question - Why they were they not filled? - Explain the N/A on the post levels? 17.2 First Column of 17.1 provides the departments.	Response Accepted																							
17.3 What impact does this have on service delivery and the overall municipal performance?		17.3 The affected departments are fully functional and no significant impact on service delivery as some are interns and others are junior positions. Follow-up Question - Why do you have a budget allocated for them if they do not have any impact or insignificant?																								

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS			
17.4 What measures are put in place to correct this?		17.4 The process of filling all the vacant positons have been commenced with to address the issue Follow-up Question - When has the process started and when will it be completed?				
Page 23 – AG's report 18. In 2017/2018 the NDM got unqualified opinion. 18.1 Are all the measures contained in the Action Plan to address the Auditor-General's Findings implemented by the end of the Financial Year?	Internal audit Finance services and all department	18.1 All were implemented save for the Finalisation of the Investigation of Irregular Expenditure which is still within MPAC	Response not Accepted The matters of this report are not done			
18.2 If NOT, what were the measures not yet implemented and why?		18.2 Irregular Expenditure reports are still being investigated by MPAC.	Response noted			
18.3 Are all MPAC recommendations included in the Oversight report implemented?		18.3 GM Corporate – Yes all resolution on the oversight report were implemented				
18.4 If NOT, why? (NB: Please provide a detailed report showing all the MPAC recommendations contained in the Oversight Report and their implementation)		18.4 GM Corporate <table><tr><td>Resolution</td><td>Progress made</td></tr><tr><td>THAT Council, having fully considered the 2017/18 Annual Report of the Nkangala District</td><td>Oversight report was adopted by council under resolution no: DM-ND258/02/2019</td></tr></table>		Resolution	Progress made	THAT Council, having fully considered the 2017/18 Annual Report of the Nkangala District
Resolution	Progress made					
THAT Council, having fully considered the 2017/18 Annual Report of the Nkangala District	Oversight report was adopted by council under resolution no: DM-ND258/02/2019					

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
		Municipality and representations thereon, adopt the Oversight Report WITHOUT RESERVATIONS THAT the Oversight Report with all its annexures be submitted to the Auditor-General, the Mpumalanga Provincial Treasury, the Mpumalanga Legislature and the Mpumalanga Department of Cooperative Governance and Traditional Affairs in compliance with relevant legislative prescripts THAT the Oversight Report be made public in terms of Section 129(3) of the MFMA THAT recommendations contained in the MPAC Projects Site Visits be implemented and progress report be submitted to council on quarterly basis	Oversight report with all its annexures was submitted to the AG, PT, the Mpumalanga Provincial Treasury & Cogta on 4 & 5 March 2019. Oversight report was made public on 01 March 2019 MPAC project site visits were conducted as follows : 03 & 05 July 2018 and 04 September 2018

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
		THAT the Management Action Plan addressing issues raised by the Auditor-General together with Audit Committee and MPAC recommendations made during probing sessions be implemented and reports be submitted to council quarterly The management plan was submitted to council by Finance on a quarterly basis indicating progress made. Follow-up Question _ Can we be provided with progress on all the resolutions?	
19. Have all irregular expenditures raised by AG in 2017/18 Audit Report investigated?	Internal Audit	19. Yes, all were investigated by Internal Audit. Follow-up Question - Were they also referred to MPAC? If yes, when and how were they finalised?	
Page 13 GOVERNANCE 20. Under Developmental District-wide Outcomes: The sentence reads: <i>In order to realise our Vision, Nkangala District Municipality in 2017/2018 financial year has worked according to the</i>	PMS Unit		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
<i>developed 10 Goals called District-wide Outcomes, referred to as District-wide Outcomes</i> 20.1 Can the sentence be properly rephrased? 20.2 Since the report shows what happened in 2017/18 Financial Year, what was the situation with regard to 2018/19?		20.1 Management acknowledges and it will be properly phrased in future. 20.2 Mentioning of 2017/2018 was erroneously included, it should read 2018/2019	Response Accepted Response Accepted
Page 27 21. The report lists committees established by council. The MPAC is made to believe that there is also a council committee called "Welfare Committee" in council. 21.1 If this is TRUE, what are the reasons why this committee is omitted in this report? 21.2 How effective is this Welfare Committee?	Corporate Services	21.1 The Committee has been established by Council and called Councilors Welfare Committee, with an intention to monitor the welfare of Councilors and it is yet to submit its report to Council. 21.2 The Committee is yet to report to council.	Response Accepted Response noted
POWERS AND FUNCTIONS 22. What role does the District municipality play in	Technical services	22. NDM's role is that of implementation of infrastructure (water, sanitation, roads, storm water and electricity) projects	Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
terms of basic services like water, electricity and housing which the key challenges in the District?		to eradicate backlogs, as per projects that are submitted to the District by local municipalities and as prioritised in the IDP.	
23. What programmes and project did the municipality have in 2018/19 with regard to its powers and functions listed below? How successful or unsuccessful were they? 23.1 Promotion of local tourism for the area of the District Municipality? 23.2 The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major portion of the municipalities in the District?	PED	23.1 On local tourism the District had the following programmes and projects: 1. Participation in the annual tourism indaba in Durban, where local SMMEs were brought along to show case their products to international market 2. The District Hosted the provincial Digital tourism and digital transformation workshop in line with the of world tourism organisation. 3. the district supported the establishment of the Regional Tourism Organization (RTO), and supported local municipalities to establish Local Tourism Organizations (LTO) 23.2 On the powers and functions relating to fresh produce and abattoirs there are no specific projects that were directly undertaken by the District during 2018/19, however the District is a stakeholder in the projects of the Province.	Response Accepted Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
SOCIO-ECONOMIC OVERVIEW (page 15) 24. Can you explain what this paragraph seeks to inform readers about? (NB: The whole paragraph should be re-phrased.)	PMS	24. It summarises the information which the Municipality is informing the readers on the district demographics, needs and statistics.	
DEMOGRAPHICS (page 16) Correct: 25. Why is this item not numbered? (NB: The caption should be properly numbered to ensure consistency in reporting. (NB: The first sentence need to be re-phrased)	PMS	25. Management acknowledge an input in this regard and shall be corrected.	Response Accepted
26. What was the purpose for each grant and how much was allocated per Grant?	Finance	26. Grant Allocation was as follows: i. Finance Management Grant R1 000 000 – is for procurement of finance management systems and internship programs for finance department. ii. EPWP Grant R3 626 000 – to encourage job creation within municipality iii. RRAMS Grant R1 733 185 - set up rural rams and collect data on roads, bridges and traffic data on municipal road networks. iv. Equitable Share was R343 962 000 purpose is to subsidise provision of basic services.	
26.1 You state that the Rural Asset Management Grant			

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
has not been spent 100% (page 18).			
26.1.1.1 What was the purpose of the Rural Asset Management Grant?		26.1.1.1 It was for the development of the rural roads asset management systems. Follow-up Question - Can you further elaborate on the rural roads asset management systems?	
26.1.2 How much was the total allocation of this Grant?		26.1.2 Total Grant Allocation was	Not complete
26.1.3 When did the municipality become aware of the Grant?		26.1.3 2014/2015	Response Accepted
26.1.4 How much was spend on this Grant allocation?		26.1.4 R1 733 185	Response Accepted
26.1.5 What were the reasons for non-spending on this Grant?		26.1.5 An amount in sum of R1 733 185 for the year under review.	Response not Accepted Question not answered?
26.1.6 Which department and officials were responsible for the spending of this Grant?		26.1.6 Technical Services Follow-up Question - Provide names of those officials?	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 18 27. Under Interest, dividends and Rent on land (page 18) you indicate that the interest earned in the 2018/19 Financial Year was lower compared to that of 2017/18. 27.1 Can you demonstrate your reasons for this?	Finance	27.	
27.2 How much was the total budget for transfer and subsidies in 2017/18		27.1 this decrease is attributed to the improved implementation to local municipality and left less cash for investments 27.2 R 163 872 657	Response Accepted
27.3 How much was the total budget in 2018/2019?		27.3 R 167 663 578	Response Accepted
27.4 How much was spent in this in 2017/18?		27.4 R 156 284 975	Response Accepted
27.5 How much was spent in 2018/19?		27.5 R 146 786 587	Response Accepted

27.6 Explain this: 138.82% realised for budgeted amount for 2018/19. In the same paragraph you report what seems to be contradictory statements in that you state that the District earned less interest in 2018/19 Financial as compared to 2017/18 due to improved implementation of the projects to local municipalities under expenditure: Transfer and Subsidies. At the same time you report there is a variance that was due to slow implementation of the projects for local municipalities under the transfer and subsidies	Finance	27.6 The 138.82 is the comparison between the budget and actuals. The 0.72% is not contradictory as it is the comparison between 2017/2018 and 2018/2019 actual.	Response Accepted
27.7 Explain this contradiction.		27.7 The 138.82 is the comparison between the budget and actuals. The 0.72% is not contradictory as it is the comparison between 2017/2018 and 2018/2019 actual.	Response Accepted
UNDER THE SALE OF GOODS (page 19) 28.		28.1 R1 250 000	Response Accepted
28.1 What was the Budgeted revenue in 2017/18?		28.2 R195 000	Response Accepted

28.2 How much was collected in 2017/18?		28.3 Due to the less revenue received than expected as a result of introduction of electronic.	Response Accepted
28.3 What were the reasons attributed to the difference between the budgeted revenue and the actual in 2017/18?		28.4 The Original Budgeted Revenue was R375 573 100 but the final adjusted budget was R387 031 495	Response Accepted
28.4 What was the budgeted revenue for 2018/2019?		28.5 The total Actual Revenue was R396 246 647	Response Accepted
28.5 How much was collected in 2018/19?		28.6 It must be mentioned that there was a better revenue collection than budgeted for in different units and functions. For a full explanation please see attached the detailed Report of the Chief Financial Officer on the Audited AFS.	Response Accepted
28.6 What are the reasons attributed to the difference between the budgeted revenue and the actual in 2018/19?		28.7 the difference was R4 852 248	Response Accepted
28.7 What is the difference between the revenue collected in 2017/18 versus that of 2018/19?		28.8 Annual Increase of transfers and subsidies led to the difference.	Response Accepted
28.8 What were the reasons that attributed to this difference if any?			

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
UNDER OPERATIONAL REVENUE (page 19)	Finance		
29.1 What constitute the Operational revenue?		29.1 The Breakdown is on note 23 of the AFS Skills Development, Staff recoveries and insurance refunds	Response Accepted
29.2 How much was the budgeted revenue in 2017/18?		29.2 The budgeted operational revenue was R361 600	Response Accepted
29.3 What was the reasons for the variance between the planned and actual in 2017/18?		29.3 The variance was as a result of less revenue received than planned	Response Accepted
29.4 How much was collected?		29.4 In 2017/2018 an amount in a sum of R490 014, was collected.	Response Accepted
29.5 What was the budgeted revenue in 2018/19?		29.5 The budgeted Revenue was R1 110 055	Response Accepted
29.6 How much was collected?		29.6 an amount in a sum of R351 271, was collected	Response Accepted
29.7 What was the reasons for the variance between the planned and actual in 2018/19?		29.7 The variance was as a result that less revenue was received than planned	Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 55 31. Basic Services 31.1 What could be the reasons for households with formal refuse removal to be below 50%? 31.2 What strategies and programmes are there to improve the situation? 31.3 How do you reconcile figures with regard to households with piped water at/above RDP level standing at 86% with the Key Service delivery issues emanating from outreach meetings on page 43 which suggest that water is a critical challenge within the District? 31.4. Why is the municipality depending of 2011 statistics for Basic Service Delivery, and who is the authority of this statistics?	Technical services Municipal PED	31.1 Refuse removal is taking place at urban and formalised areas and it is not much concentrated on rural village arears. 31.2 Local Municipalities have KPI's on their SDBIP's to collect a certain percentage of refuse from their communities, and these are substantiated by their action plans in the case of non-achievements. 31.3 Inadequate infrastructure in some areas and constant population growth are the major factors leading to insufficient supply of water to the community. 31.4 STATSSA is the only formal/official census in 10-year intervals and do community surveys in between the years, which are a samples in 2-year intervals. The last formal STATS was done in 2011 as per STATSSA website. 31.5 The District is using information from other sources, such as ISH Global insight, the district also relies of the data generated by DEDT.	Response Accepted Response Accepted Response Accepted Response Accepted Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
31.5 How does the municipality supplement or close the gaps on data provided by institutions such as Statistics SA when doing planning? 31.6 Does the municipality have its internal data management system? If NOT, why?		31.6 No, however The district has a researcher who works with research institutions and participates in the provincial research forum to generate data that is relevant to the municipality. The Municipality does not have a particular Data Management System procured. However, the Municipality keeps data of all issues raised and reported to the Municipality through the Mayoral Imbizo/Outreaches. Further to the above, the Municipality has access to the Data of Local Municipalities and further data can be sourced from Statistic South Africa.	Response Accepted
Page 59 – Water Projects 32. Expenditure in some projects reflects as low as 0%, 4% and 49% respectively. 32.1. What are the causes of this low spending? 32.2. What is being done to improve this situation and ensure it does not recur?	Technical services	32.1 This was a result of the catching up that we had to do, following the re-advertisement of seven big projects as a result of that local content finding. 32.2 From a project management side, an acceleration plan was put in place and monitored to ensure that the department finished the financial year with acceptable performance in terms of expenditure (which was 74%), and thus the overall performance of the Municipality. Further to this, all members of the bid specification, evaluation and adjudication	Response Accepted Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
		committees were taken for local content training at the Department of Trade and Industry to ensure that we are equipped with the necessary capabilities to avoid such an incident from recurring. Following the 2018/ 19 FY year audit, no findings were made in this regard, which shows that the training bared positive results.	
Page 60 and 61 – Sanitation project 33. The report states that all category of B municipalities in Mpumalanga are Water Service Authorities. However, some local municipalities within the District do not have capacity to perform such function. The report also shows capital expenditure on sanitation projects in some instances as low as 0%, 9% and 26%. 33.1 Which are those local municipalities within the District that does not have capacity to perform their water functions?	Technical services	33.1 The District Municipality has not yet conducted capacity assessment in line with the provisions of Section 78 of the Municipal Systems Act, Act 32 of 2000, which states as follows: “ If a municipality decides in terms of subsection (2)(b) to explore the possibility of providing the municipal service through an external mechanism it must- (a) conduct or commission a feasibility study which must be taken into account and must include-	Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
33.2. What interventions are in place to ensure that this basic service is provided to communities?		(i) a clear identification of the municipal service for which the municipality intends to consider an external mechanism” It is only after the said assessment has been done that the District would know which local municipality does not have the required capacity.	Response Accepted
33.3. Have the District Municipality highlighted these capacity challenges to the relevant authorities and what are their responses?		3.2 NDM is implementing Infrastructure Investment Projects on behalf of Local Municipalities as part of infrastructure development, and for purposes of eradicating service delivery backlogs across all six Local Municipalities.	Response Accepted
33.4. What could be reasons for non- spending and what are corrective measures put in place to curb recurrence in future?		33.3 No, the assessment has not been done and NDM has to be guided by the recommendations of a feasibility study regarding the capacity challenges, and as such these challenges have not been legislatively highlighted.	Response Accepted
Page 79 34. Why the inspection done were only mainly about AEL	Social services	33.4 The re-advertisement of seven big projects because of the local content finding, which placed the department on a back foot performance (expenditure) wise. From a project management side, an acceleration plan was put in place and monitored to ensure that the department finished the financial year with acceptable performance in terms of expenditure (which was 74%), and thus the overall performance of the Municipality. Bid committees have since been trained by the DTI on local content, hence the finding has not re-occurred. 34. Twenty one (21) Compliance Inspections where planned and thirty (30) were conducted during the 2018/19 FY of which most are AEL Pre- Licensing. The main reason is insufficient staffing in the Pollution Control Unit, since the first Environmental	Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Pre-licencing instead of performing enforcement?		Compliance Officer was only appointed in January 2019 and the second one in December 2019 as per attached copies of appointment letters.	
35. Where is Annexure A on page 111?	Finance services	35. 2018/2019 Annual Performance report was submitted separately attachment on the Unaudited Annual Report. It is now incorporated in the 2018/2019 Audited Annual Report (Attached hereto) on Chapter 3, Component J.	Response accepted
Page 143 36. Which part of the report does Appendix D relate to and if this appendix is part of Annual report. Can we be provided with POE for the 1st Quarter of Ward committee meeting's minutes of Thembisile Hani ward 18 and ward 4, the 2 nd Quarter for Dr JS Moroka Ward 13 and ward 2?	Corporate services	36. At our level we do not have the locals ward committee minutes as they reside with the municipality concerned, our role is to coordinate and report during our outreaches, and the District Report is based on the information received from the locals. There is no POE submitted by the locals.	
Page 35 37. The picture of General Manager: Planning and Economic Development is depicted without his functions like those of other	Corporate services	37. It's an oversight the AR will be corrected in future.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
General Managers. What are the reasons for this?			
Page 39 District Municipal Public Accounts Forum	CORPORATE SERVICES	38.1. District MPAC was established based on the NAMPAC TOR'S. 38.2. the development of the Terms of Reference is still underway and at 80%. The following activities still need to be undertaken: • Benchmarking with other Municipalities • Soliciting Legal Opinion (To establish the document's legal compliance.) • Soliciting inputs from stakeholders such as SALGA, National Treasury and COGTA • Presenting proposed Terms of Reference to constituent municipalities for inputs	
Page 39 39. On which date was the Provincial launch of the NAMPAC hosted by NDM?	CORPORATE SERVICES	39. 23 January 2019	
Page 39 40. How many times did the Premier intergovernmental Co-ordination Forum meet?	Social services	40. The PCF sat 3 times in the year under review	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 26 41. The report states that the Nkangala Municipal Council resolved to have 10 sittings in the 2018/19 Financial Year 41.1. Did council managed to have all 10 sittings as resolved? 41.2. Did all councillors managed to honour council meetings as arranged? If there were councillors who failed to honour council meetings and apply leave of absence as required what were actions taken against them?	Corporate services	41.1 Yes, all Council siting as per the Year Planner were convened and attended. 41.2 Yes, Councillors honoured all meetings and in case of absence, applications for leave were forwarded and approved by Council	
Page 27 42. The report states that NDM council established six (6) committees to assist the Executive Mayor in discharging her duties.	Corporate services		

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
42.1 Were those committees able to discharge their responsibilities? 42.2. Did the Executive Mayor delegate any powers to those committees or their Chairpersons? If NOT, what are the reasons and how does the Executive Mayor able to hold them accountable if no powers are delegated to them?		42.1 Yes, all Section 80 Committees as established discharged their responsibilities as per the Year Calendar for Committee sittings. 42.2 Yes, Chairpersons of Committees are delegated to lead the Committees and all matters discussed are forwarded for consideration by the Mayoral Committees. All the Chairperson as MMC's hold study groups with the Executive Mayor during the Mayoral Committee and discussions of items from Committees are discussed and they report to the Executive Mayor in respect of their respective directorate/ departmental responsibilities.	
Page 29 43. Council appointed the Audit and the Risk Committees to provide independent advice to council, executive and administration 43.1. How many recommendations were given by these committees in 2018/19 Financial Year?	Internal Audit Risk	12 Recommendations were made by Audit and Performance Committee and only one was not implemented the recommendations on signing of performance contracts one official from Social Services did not sign performance contract Risk Management Committee: 43.1 The Committee issued 35 Recommendations	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
43.2. How many of those recommendations were not implemented and what were the reasons?		43.2 All recommendation were implemented	
43.3. If there were recommendations not implemented, which departments were responsible and what actions were taken against the officials in those departments?	Internal Audit Risk	43.3 The two (02) officials who did not sign are subjected to DC Processes.	
Page 53 PUBLIC SATISFACTION ON MUNICIPAL SERVICES 44. The report states interesting figures on public satisfaction survey with regard to communication at 38.6%, road construction and maintenance at 42% and biodiversity at 24.2%. 44.1. Who conducted the survey and how?	PED	44.1 The District appointed Fast Moving Trading to undertake the research. The methodology they used includes primary research- field work, sampling, execution questionnaire and generation of results.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
44.2 Does Executive and Management agree with these findings? If YES what could be the contributing factors to this low scores? 44.3 Does the municipality have adequate resources (Financial and Human Capital) and strategies to improve the situation? If YES, outline them.		44.2 Yes, the District accepted the report, and agreed to improve on areas where weakness been identified. The contributing factors are as follow: Roads, most of the local roads and internal streets are gravel, they require paving or tarring. Biodiversity, it is affected by intensive mining, coal powered stations and industries which negatively affect the environment. 44.3 The municipality has a budget to address issues of roads and storm water, however the budget is limited, and it will take long to eradicate the backlogs.	
Page 37 45. Municipal Managers, Mayors and Speakers Forums. 45.1. How many meetings were scheduled for these forums in 2018/19 Financial Year? 45.2. Did all the meetings sit as scheduled, and if NOT, why?	Corporate services	45.1 Four (4) meetings , 1 per quarter per forum 45.2 MM FORUM –all meetings were convened as planned Mayors Forum- Only 3 were held in the year under review Speakers forum- 4 meeting , one per quarter and all meetings were convened	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
45.3. Did all Municipal Managers, Executive Mayors and Speakers attend their respective meetings? If NOT, who were those Municipal Managers, Executive Mayors and Speakers who fail to attend and their reasons?		45.3 All speakers attended, except VKLM who missed 3 meetings of the Speakers Forum due to the political instabilities at the municipality by then.	
45.4. What challenges did these forums meet in executing their mandates and how were they resolved?	Corporate Services	45.4 MM's Forum – delegation of junior officials without decision making powers. Municipalities were instructed not to send Juniors to the MMs Forum. Speakers – no challenge except the absence of VKLM. After political instabilities were resolved the Speaker is now attending. Mayors forum was postponed indefinitely Follow-up Question a) There is no indication of how the problem of attendance would be addressed moving forward. Can it be clarified?	
Page 37 46. Finance Forum It is common knowledge that some of the local municipalities in the District are not performing well in terms of issues of Financial Management as espoused by Auditor-General's reports	Finance		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
46.1 What assistance did this forum give to each of the affected local municipalities to ensure they improve their status? 46.2. Did the assistance bear any fruits? If NOT why? And, what interventions are needed if any?		46.1 The Forum is used to share best practices and shares advises on GRAP, Audit and AFS preparations. In addition there is a Municipal Account capacitating the Local Municipalities as and when required on an ongoing basis. 46.2 The Local Municipalities do not implement recommendations of the Forum. The District will appoint a team of Service provider assisted by District Officials to train the Local Municipalities.	
Page 41 47. Municipal Website, Can you clarify the sentence under this item?	ICT	47. There was no proper introduction of the section, however the sections outlines documents that should be published in the municipal website in terms of Section 75 of the MFMA.	
Page 42 48. Mayoral Outreach Meetings During the IDP/Budget Indaba in April 2019, the Executive Mayor decried failure by some of the Sector Departments to take part in Mayoral Outreach meetings. Council subsequently	PED AND PUBLIC PARTICIPATION		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
resolved that the matter be raised with COGTA as the department responsible to ensure attendance of Sector Departments to these meetings. Furthermore council resolved that Oversight visits be paid to all Sector Departments Projects implemented in the District where the members of the Mayoral Committee and MPAC should be involved.			
48.1 How far was the council resolution relating to non-attendance of Sector Departments implemented? 48.2. Who were those Sector Departments affected? 48.3 How did COGTA resolve the matter? 48.4 How far was the council resolution with regard to	Corporate services AND PED	48.1 The matter was referred to COGTA representative during the IDP/PMS forum and they undertook to engage with sector departments. There has been visible improvement of attendance of Sector Departments in the Mayoral Outreach. 48.2 Department of Economic Development and Tourism, Cooperative Governance and Traditional Affairs, Department of Culture, Sport and Recreation, Department of Social Development, Department of Public Works Roads and Transport and DMIR. 48.3 A commitment was made by COGTA to address the matter and revert to the Municipality. 48.4 The oversights were not scheduled as planned.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Oversight visits implemented and what were the findings? 48.5 How does the District address the Key service delivery issues emanating from outreach meetings as reported on page 43 of the report? 48.6 What is the budget breakdown allocated to each of these 6 (six) Key Service Delivery issues in the 2019/2020 Financial Year?		48.5 Issues that are within the District competence are addressed during annual Strategic Lekgotla, as well as the monitoring reports that submitted to council quarterly. Issues that affect sector departments are reported to the sector departments concerned and the said sector department is expected to present and provide progress during quarterly IDP/PMS forum. 48.6 For creation of sustainable jobs the municipality has R 6.5 Million for learnerships and have R11 Million for support of SMMEs and cooperatives.	
Page 46 49 Risk Management Low grading of the municipality has been a grave concern to both council and labour. The report indicates that you have achieved on "follow-up on progress on the finalisation of the grading process and implemented the graded jobs as per the job evaluation report.	Risk Corporate Services		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
49.1 When was the follow-up on the finalisation of the grading process done and what were the results? 49.2 What job evaluation report is referred to here and when will it be done? 49.3 How many jobs were affected by the grading and what is the financial implication (costs) if any?		49.1 The grading of the Municipality is a competency of the SALGBC and outside the control of the municipality. 49.2 The Job Evaluation is aimed at standardising the job descriptions and ensure that all positions are correctly on the correct post level, in terms of the TASK Job Evaluation System. Council approved the implementation of the TASK Grading system, however, its implementation is also dependent on the approval of the Wage Curve Collective Agreement which is a central bargain issue, which will inform the movement of position financially. 49.3 All jobs in the district were graded.	
49.4 What effect did the two processes (grading and job evaluation) have on staff morale and minimising staff turnover? Explain in detail. With regard to Public and Private institutions working in silos, the report indicates that Quarterly LED Forums were achieved.	Corporate services PED	49.4 Both the processes have an effect on staff morale, as there are legitimate expectations of improvement of salaries of officials. The Municipality (Administration) is currently undertaking a post rationalisation process resulting from the Job Evaluation Process, which report will be re-submitted for Council consideration in the current financial year.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
49.5. Who were the private institutions who attended the LED Forums? 49.6 Were the Mining houses also attending the LED Forums? If YES, what were the discussions and commitments around the SLPs and CSIs and the implementation thereof? The report shows that augmentation of natural resources (Moloto Bulk Water Supply) is achieved. 49.7 How was this done? 49.8 How much was spent if any?	Technical services	49.5 Middelburg chamber of commerce industry, Local SMMEs and cooperatives also participate in the LED Forum, however attendance of big business is not consistent. 49.6 Some Mining companies do send representatives to attend the LED forum, however these are junior officials who have no authority to make commitments in relation to SLPs and CSI, they are only responsible for implementing what the mines have already committed to. 49.7 NDM's scope was to conduct designs for the Moloto Borehole Water Scheme, which was informed by a geo-hydrology studies that were conducted by Specialists contracted by the Consulting Engineers. These studies showed that there was up to Mega litres of underground water that could be sourced, which would augment the current water shortfall in Thembeisile Hani Local Municipality (THLM). The reports were then handed over to THLM who continued with implementation (construction). 49.8 R865 744.00 was spent on the design work.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
49.9 Did this ameliorate water challenges faced by the affected communities? If NOT, what further strategies are needed/put in place?		49.9 No, the NDM scope was limited to design, which does not ameliorate the water challenges. The Local Municipality will do the physical works which upon completion will surely ameliorate the water challenges.	
On Investigation for possible funding in mitigating limited Financial resources the report indicates that same is also achieved.			
49.10 How was this done?		49.10 The achievement is based on the action taken by NDM regarding the request for possible funding in mitigating the limited financial resources.	
49.11 What are the revenue streams identified in the investigation report if any?		49.11 The terms of reference of the Specialist were not to identify revenue streams, but to investigate if there is sufficient underground water that can be sourced. With reference to the revenue streams, the Local Municipality will have to bill the users in line with their tariffs for the water that will be consumed, and put in place revenue collection methods accordingly.	
Page 51 50.SCM 50.1 What was the targeted reduction of deviations set for 2018/19 Financial Year? If	finance	50.1 There was no target served, however the intention was to reduce the deviations and limit them to emergency deviations and where it is impossible to follow SCM Processes.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
NO target was set, what were the reasons?			
50.2 What were the reasons for regression in attendance to meetings by Bid Committees?		50.2 Attendance regression is due to other Council commitments and officials on leave. Follow-up Question a) If the work of Bid-Committee is very important, why is it not given equal priority with other council matters? Why didn't you manage leave to an extent that it does not affect the work of this committee?	
50.3 What actions were taken against those bid committee members who contributed to the regression if any?		50.3 The said officials were called in to respond to the performance committee and as a result lower performance scores were given to them.	
50.4 What regression did this regression have on service delivery?			
50.5 Was attendance to Bid Committee meetings included in the performance agreements of respective officials to ensure accountability? If NOT, why?		50.4 None, because committees were always forming a quorum and sat as planned. 50.5 Yes it was included	
50.6 Did all Bid Committee members and the Broader Management attend the trainings on SCM organised for them? If NOT, what were			

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
the reasons and what corrective actions were taken against those who did not attend?		50.6 No, only the Committee Members and SCM Practitioner were trained.	
Page 63 51 Roads and Storm Water 51.1 Since 2015/2016 to date the District never graded or maintained any gravel road. Is grading of gravel roads not part of the District municipality's strategies? If YES, how are the communities who use gravel roads assisted where their roads are impassable?	Technical services	51.1 The grading of gravel roads is not part of NDM's strategies, as the maintenance competency lies with the Local Municipalities. The District's role is to surface (construct) the roads in line with the project submissions that are submitted and prioritised accordingly.	
51.2 Was developing designs the only target for 2018/19 with regard to roads and storm water? 51.3 How could it take you the whole year to develop designs? Why was the projects not implemented?	Technical services	51.2 No, the initial target was not designs only, but designs and construction. 51.3 It did not take the whole year and developing designs does not take the entire year to develop designs, and the reasonable period is 3 – 5 months. The only time where designs will take over 6 months is when there are Environmental Authorizations required, notwithstanding a period of a year minimum for Water Use License authorization. Limited budget led to the District	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
		Municipality only conducting designs, as the budget required for construction was not sufficient.	
Page 67 Planning Development 52. The report indicates that there are 28 application that are pending at the end of the Financial Year 2018/19. What were the reasons for that? 53. There are 14 projects that were at 0% spending while 6 were still under 50% spending. 53.1 What were the reasons for situation? 53.2 What was the total budget allocated to Economic Development Services in the 2018/19 Financial Year and how much was not spent? 53.3 Since the municipality adopted Zero budgeting approach, what motivation was put forward by the responsible department that	PED	52. The applications could not be finalised due to the outstanding information relating to documents that are required from the applicant in order for the application to be finalised. 53.1 We do not have projects that were at 0% 53.2 The budget for 2018/19 for Planning and Economic Development was R 35.1 Million and expenditure was R 24.1 Million, therefore R 11 Million was not spent 53.3 The selection process of beneficiaries was underway at the close of the financial year, as such the budget was rolled-over to 2019/20.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
convinced the Finance Department to allocate this amount to the department? 53.4 How did this non-spending affect service delivery? 53.5 How much was allocated to the Economic Development Services for 2019/2020 considering this non-spending? 53.6 What mechanisms are in place to ensure spending moving forward?		53.4 The non-expenditure affected only the programme on supply of tools and equipment to SMMEs, however the process has since been concluded. 59 SMMEs are benefiting from this programme. 53.5 The budget for 2019/20 is R 28.5 Million 53.6 The district managed to procure service providers on three year panel, and secondly, calls for proposals will be done a year prior to selection of beneficiaries in order to eliminate delays.	
Page 68 54. Local Economic Development (Including Tourism and Market Places) The Report explicitly explains the goals of the LED and the fact that NDM is the main economic hub in the Mpumalanga Province. 54.1 What was the municipality's targeted	PED		

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
number of job creation in relation to the National target? 54.2 Did the municipality achieve that target? If NOT why? 54.3 The figures of EPWP Projects and Jobs created through EPWP projects show a decline. What could be the cause of this? 54.4 From the municipality's internal sources for example infrastructure development projects and other services how many jobs were created in the 2018/19 Financial Year? 54.5. Since Women and Youth are the most critically affected sectors in terms of unemployment, what is the total jobs created for youth and women respectively in the 2018/19 Financial Year?		54.1 The target for job creation in terms of the EPWP was 510 job opportunities, however additional jobs can be created in terms of other programmes (Tools and Equipment). 54.2 No, during 2018/19 Financial Year, there was slow implementation of capital projects due to issues of local content and production, which affected the work opportunities that were planned. 54.3 During 2018/19 Financial Year there was slow implementation of capital projects due to issues of local content and production, which affected the work opportunities, however such issues on local content have since been addressed. 54.4 The District created 185 job opportunities, which includes all the projects that municipality implemented. 54.5 The EPWP programme, especially the learner-ships focuses mainly on youth and women.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
54.6 With regard to NEDA what was the milestone schedule for 2018/19 and how far was it realised? In cases where targets were not met, what could have been the reasons?		54.6 The milestones for NEDA in the Financial year was to develop the Financial model and to conduct due diligence into the revenue drivers namely, Property Development and development of a Fly-Ash beneficiation incubator, both milestones have been achieved.	
Page 73 55 Community and Social Services 55.1. How many job opportunities were created for people with disabilities in the 2018/19 Financial Year?	Social services	55.1 Five people with disability have received projects from NDM. Two have benefited from the seven days quotations (delivery of refrigerator and delivery of soft drinks, and decoration for SODA), two appointed for three years Contract through DEAFSA for Sign Language Interpreter and Catering Service, One benefited from SMEs (small and medium-sized enterprises) and has received backing machines. 55.2 Intervention was done together with department of Human Settlement in 2019, where the NDM together with all the LMs and the Huma Settlement held a Round Table Discussion on the matter. Together with the Local Disability Forums we have been regularly monitoring the waiting list on the database per LM in order to priorities people with disabilities.	
55.2 One of the challenges raised by people with disabilities was with regard to Social housing. How did the Executive Committee assist to resolve these issues as raised during the IDP/Budget indaba in April 2019?	Social services		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
55.3 What is the HIV/AIDS statistics in the District? How effective are the programmes run within the District in decreasing the HIV/AIDS statistics?		55.3 There was an increase in the HIV Prevalence between 2012 and 2015, however it increased by 6.3 % in 2017 from 25.1% to 31.4%. “ The National Antinatal Sentinel HIV Key Findings, South Africa (July 2019)”	
55.4. Unemployment among the youth is said to be high in the South Africa. The Youth Development Report however does not say much about Youth Unemployment in the District including initiatives undertaken to address this challenge. What could be the reason for this?		55.4 The Youth Unit's Integrated Youth Development Strategy of 2015 was biasedly geared towards addressing HIV/AIDS, Teenage Pregnancy and Drugs and Substance abuse, thus the programs of the Unit spoke largely to that effect. Youth Unemployment and skills development will be focused upon during the NDM Integrated Youth Development Strategy Reviewal during 2020-21 FY Budget.	
55.5 What were the programmes initiated in the 2018/19 focusing on youth employment and how successful were they?		55.5 There were no programs developed for this purpose as far as the 2018/19 institutional plan is concerned, however, the Youth Unit has taken an initiative to include such initiative as Enterprise and Supplier Development in partnership with external business stakeholders for youth owned enterprises on its 2020/21 Budgeting Cycle.	
55.6 The report indicates that youth is not benefitting from mineral wealth within the District. What are the reasons for that? What		55.6. The Youth Unit hosted youth mining summit which identified opportunities in the mining sector that can be availed to youth owned enterprises. The Youth unit has since proposed an Intergraded Enterprise and supplier development programme of youth owned	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
initiatives have been taken to address this? 55.7 What are the milestones agreed upon in the 18th June 2019 Skills Development Summit?		enterprises with the purpose of building the operational capacity and financial viability of the youth owned enterprises so that they can be able to create employment in the District. 55.7. The Summit targeted youth in business to address the lack the necessary entrepreneurial skills and the out of school unskilled youth in an attempt to address the skills gap and access to business opportunities for youth. The Summit received inputs from Exxaro, NYDA, KPMG, NDM to which the delegates interfaced with, with a view of contributing towards the reviewal of the Integrated Youth Development Strategy of Nkangala District in 2020/21 Municipality and mapping out actions for implementation. Issues raised in the summit include but not limited to; • The lack of economic integration between the six Local Municipalities. • Insufficient business support and lack of funding from the private sector for youth owned SMME's. • The need to establish business incubation centres across the district to improve the sustainability, profitability and capacity of youth owned SMME's. • The need for deliberate artisanal skills programs for the unskilled youth for purposes of the youth to be able to participate in the labour economy of the district. • The need to intensify the matric-rewrite program by the NYDA to ensure that more young people complete their matric. • The need for a deliberate transformation agenda to	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	IMPAC RECOMMENDATIONS/COMMENTS
55.8 How many young people attended the Summit and what was the breakdown in terms of Local Municipalities within the District? 55.9 What was the total budget for Youth Development in the 2018/19		benefit youth owned SMME's • There should be clear set asides and ring-fenced employment and business opportunities for local youth. • The mining houses must develop a clear stakeholder management strategy to ensure that there is a healthy and beneficial relationship between them and the youth strata in the district. • Share that business and skills development opportunities through the youth offices across the district. • That the private sector, particularly the mining houses provide driver's license training program to as part of the CSI. • That the mining houses are transparent with their SLP and CSI projects for purposes of accountability. 55.8 The summit was attended by 120 youth across the district to which the breakdown was 20 delegates per Local Municipality. 55.9 The 2018/19 budget was R172, 421 to which R153, 742 was spent on the event.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Financial Year and how much was spent?			
56. Disaster Incidents (No page number) The report states one incident of community protest in Dr JS Moroka Local Municipality.	Corporate services		
56.1 Was this the only community protest that was recorded in the District in 2018/19 Financial Year?		56.1 No, there were other protest at Emakhazeni LM, Thembisile Hani LM, Steve Tshwete LM and Emalahleni LM.	
56.2 How were the reasons for the protest addressed to ensure that the protests do not recur?		56.2 Most of the protests were around disruption of construction sites, thus both government and the private sector, should engage with affected communities on project implementation. With regard to Dr. JS Moroka LM, this matter requires political intervention.	
56.3 During the MPAC site visits it was reported that in some instances community members disrupt some Municipal Programmes demanding that they be given tenders to an extend that the affected departments are contemplating doing away		56.3 The disruption of projects by communities is a national crisis beyond our control as tenders cannot be awarded to all community members However the municipality is engaging with affected communities and also advise on subcontracting	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
with Project Site Inspections and establishment of Project Steering Committees. What programmes to you have the address issues of this nature?			
Page... 57.Information and Communication Technology (ICT)Services 57.1 Who comprises the ICT Steering Committee and what are functions of this committee? 57.2 The reports states that laptops are provided to both management and councillors with Tablets. Since there has been a serious concern from councillors about their tablets what measures have you put in place to address their challenges? 57.3 What was your target turn-around time to attend	ICT	57.1 Is comprised of the General Managers, Unit Heads and it is chaired by the Municipal Manager. The functions are to oversee the implementation of the Municipal Governance ICT Framework. 57.2 Council resolved not to extend the Vodacom Contract and the Municipality has started a process of procuring new tools of trade for Councils. 57.3 Major problems were resolved within 2 days and minor problems are resolved within a reasonable period of not more than an Hour.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
to ICT related breakdowns in 2018/19.			
Have you achieved that target in the 2018/19 Financial Year?	ICT	Target Achieved	
Page.... 58 Trade and Investment Promotion within the District 58.1 For which Financial Years are the R330 million investment projects? 58.2 How many SMMEs were assisted with each of the 7 services listed in the report?	PED	58.1 The investment Pipeline was generated during the 2018/19 Financial year, however facilitation work will continue and overlap into the following financial years, because some of these are long-term projects and cannot be implemented in one Financial year. 58.2 At least 13 local SMMEs have been assisted to develop viable projects that have been included in the investment pipeline. Over and above that, other services include hosting of workshops and referring SMMEs to DFIs and other relevant institutions for further assistance.	
Page.... 59. Skills Development and Training 59.1 What are the correct figures on the Skills Development Expenditure	Corporate services	59.1 The correct figure for the 18/19 Expenditure is R 2 158 084 and it is the same amount compared with the expenditure on the vote.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
for 2018/2019 since the figures for the Actual does not correspond with the total of R 2 158 084 in the report?			
Page 152-227 60 Performance of them External Service Providers There are service providers which scored less than 3 in terms of the scale provided in the report.	Legal Services		
60.1 What actions have you taken against each of the service providers?		60.1 The Service Providers that were not performing above a score of three (03) were put on terms by the respective end user departments to improve on their performance, failing which their services would be terminated. As a result thereof all Service Providers improved and managed to produce satisfactorily performance. Otherwise, had there been Service Providers who did not improve such would have been terminated.	
60.2 Who funded the shortfall for projects which were completed outside the allocated budget and what was the total expenditure on that shortfall if any?		60.2 The SCM Policy allows for variation orders of not more than 20% of the contractual project costs, such can be funded from the approved budget to cover the shortfall. Shortfalls can emanate from unforeseen circumstances during project implementation.	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
60.3 How were these service providers which performed poorly procured?		60.3 All Service Providers are procured in line with the provisions of the Local Government: Municipal Finance Management Act, read with the Supply Chain Regulations, Municipal Supply Chain Policy as well as Treasury Circulars; i.e. through quotation and the tender processes.	
Page 61 PMS 46 officials qualified for Performance Bonuses in 2018/19 evaluations	PMS	61.1 R1 125, 135.63 (after tax) was paid for the performance bonus for 2017/2018 financial year not for 2018/2019 financial year. The performance assessment for 2017/2018 were conducted during the year under review. The 2018/2019 performance assessment will be conducted during 2019/2020 after the 2018/2019 annual report has been table to council as required by 2001 Regulations	
61.2 Was the Oversight Report on the 2017/18 Annual Report and the Auditor-General considered when conducting the performance evaluations? If NO, why?		61.2 Yes, the 2017/18 Oversight report, Annual Report and the Auditor-General were considered when conducting the performance evaluations. The assessment were conducted on March 2019 to June 2019 for 2017/18 financial year	
61.3 The report suggests that the Municipal Manager		61.3 The process on evaluation cannot be outlined on the report due to the fact that the purpose of the annual report is to	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
followed a particular process to evaluate performance of municipal officials. However that process is not outlined in the report. What could be the reason for that? Can the process be outlined as suggested by the report? 61.4 Were all municipal officials evaluated? If NOT, what were the reasons? What actions have been taken against those officials who did not comply with the municipality's PMS policy? (NB: Provide detail in each action taken if any.)		provide a report on performance against the budget of the Municipality or Municipal entity for the financial year. The evaluation processes have been covered on the PMS policy in terms of section 38 of Municipal System Act. See attached the PMS Policy. 61.4 Not all Municipal Officials were assessed. Eleven (11) Officials were not assessed for various reasons ranging from unavailability during the assessment period to non-attendance of scheduled assessments. All these Officials were subjected to a Consequent Management process and written warnings were issued against all of them.	

MPAC QUESTIONS TO EXECUTIVE AND MANAGEMENT BASED ON PROJECT SITE VISITS

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
1. Yellow Machine 1.1 What did the NDM do to ensure that yellow machine as supplied to the local municipalities are put in use to avoid them remaining unused for such a long time and finally amounting becoming fruitless and wasteful expenditure? 1.2 How does the NDM satisfy itself before allocating funds to projects requested by local municipalities that indeed those projects are priority needs of the community to avoid a situation where they become white elephants?	TECHNICAL SERVICES 1.1 NDM's responsibility or mandate hereto was to supply, deliver and register the yellow plant/fleet as per request that was submitted by the Local Municipalities. This is done through the understanding that the Local Municipalities will immediately schedule or put them in use for their operations and maintenance, for we do formally write to them to notify them of the completion of the delivery and registration, immediately once this is done. We are thus of the view that this does not constitute fruitless and wasteful expenditure on the side of NDM, but we will be taking this matter up with Local Municipalities at our quarterly Technical Services Forums. 1.2 All funds of projects are allocated post-vigorous IDP and Budget processes. These projects are contained in the IDP's of both NDM and Local Municipalities.	
2. Business Creation and Expansion SMME(Youth) NDM 2.1 Was this project part of the municipality's support strategy to the youth? 2.2. How many beneficiaries were targeted with this project?	PED AND TECHNICAL SERVICES 2.1 Yes, was aimed at empowering the youth by developing car washes and Steve Tshwete Local	

2.3. Were the beneficiaries provided with skills to manage the project including its marketing? 2.4. Who is the dedicated official/s to work with beneficiaries on this project?	2.2 The project in Steve Tshwete Local Municipality resulted in the employment of six youth employed three females and three males 2.3 As the District our scope of work was to build the facility for the local Municipality, and the municipality will deal with identification and handing over of the project to the identified beneficiaries, including capacity building. 2.4 The local Economic Development department in Steve Tshwete Local Municipality is responsible for managing beneficiaries	
2.5. When will the project be handed over to the beneficiaries and title deeds given to them as requested? 2.6. How much was spend on the project?	PED 2.5 The project was handed over to the Steve Tshwete Local Municipality in July 2019. The property belongs to Steve Tshwete Local Municipality, and the Municipality will dispose the property according to their internal processes. 2.6 R 1 317 062.	
3. Installation of Bulk Infrastructure at Gugulethu 3.1 What assistance is the NDM providing to the local municipality to ensure that the envisaged township establishment is realised and the infrastructure already put is not fruitless? 3.2 How long is it envisaged to take the local municipality to finalise the township establishment process?	TECHNICAL SERVICES 3.1 Bulk services are installed after the following processes are completed township establishment application , paging and surveying as well as opening of a township register 3.2 The Township establishment has been finalised at Gugulethu , the municipality is responsible for allocation/ building of RDP houses on the stands	

4. Upgrading of WWTW at Thubelihle 4.1 Why did the municipality allow connection of electric wire through the window that exposes people to serious risks? 4.2 What programmes does the municipality have to ensure that small businesses are sub-contracted? 4.3 What is the total cost of the project and how much was spent on sub-contractors? 4.4 Why did the municipality dictate to the sub-contractor the places to purchase material that finally led to him withdrawing from the project?	TECHNICAL SERVICES 4.1 The cable was found prior to construction, which was tested by the Contractor and was found not to be live, and was left as is and it does not pose any danger. 4.2 NDM sets aside 30% of all its infrastructure projects and ensures that sub-contractor(s) in the local area and/ or ward benefit from the 30% by making sure the contractor conducts the appointments accordingly. This 30% is also inclusive of the material that is procured locally, and the plant/ machinery that is sourced from local owners by the main contractor. 4.3 R 23 001 390.00 is the total project cost, and R 125 000.00 was spent on sub-contractor prior to their withdrawal from the project. 4.4 There was nothing dictated to the sub-contractor by Nkangala District Municipality. The sub-contractor was the one informing the project team that the material is only available overseas, which was not the case as the main contractor was able to source it locally (in South Africa), and when such advise was given to him, he decided to withdraw from the project.	

5. Upgrading of Klarinet Ext 2,3 and Pne Ridge Sewer 5.1 What processes are followed by NDM when implementing the projects to ensure all stakeholders are taken on board?	TECHNICAL SERVICES 5.1 Social Facilitators are part of the project team, and their key responsibility is to promote and maintain a spirit of mutual trust, understanding and co-operation between all role players and stakeholders in respect of the project. Furthermore, they: • Mobilize communities around programs and projects for their support and participation, • Empower community members with information to actively participate and take ownership of their development, and • Create an enabling environment for effective implementation of development initiatives or projects at community level.	
5.2 What are the reasons why Project Steering Committees were not established where projects are implemented? 5.3 What safety mechanisms are put in place to ensure that people are not exposed to environmental hazards and other risks during implementation of projects?	5.2 This was unfortunate oversight on the part of Technical Services, as PSC's are to be in place for all projects under implementation, for ease of project stakeholder engagement. 5.3 Part of the terms of reference of the Consulting Engineers during construction is to act as an Agent of the Employer in terms of Occupational Health and Safety Construction Regulations, Occupational Health and Safety Act. These services are usually sub-consulted to OHS Specialists by Consulting Engineers, who then come to site on a regular basis to ensure that the Contractors Health and Safety file is up to date,	

5.4 Do all service providers' safety files checked by the municipality and who is responsible to do that? 5.5 How does the municipality deal with service providers who do not comply with health and safety regulations, including provision of protective clothing to their employees?	and that the Contractors Safety Officer is complying with the above-mentioned act. Furthermore is what we call tool box talks, which are conducted two odd days in a week, prior to commencement of work on site. Different topics OHS topics are covered, and workers are schooled on the do's and don'ts in that regard. One can never downplay the importance of safety on site. 5.4 Yes they are checked, and the responsibility lies with the Consulting Engineer appointed by the District Municipality, who Acts as an Agent of the District Municipality. 5.5 Any service provider or employee (labour) appointed by the service provider that does not conform to OHS regulations is not allowed to access site by the Health and safety Officer. The onus of conforming to safety regulations lies with the worker, as the principle of no work no pay due to negligence will apply. All workers are issued with PPE by the Contractor, thus they must wear PPE at all times.	6. Upgrading of Pap and Vleis Outfall Sewer 6.1 Why did the municipality built manholes in the yards of community members?	TECHNICAL SERVICES 6.1 The sewer line and manholes were correctly placed in the servitude where the survey was conducted, however some residents decided to extend their boundaries of their stands without following due processes. 6.2 The risk is minimal as there is no access to the manholes (internally) provided to the residents,
--	--	---	--

6.2 What risks does this manholes have to the people in those yard and how is the municipality going to address them if any?	and the residents have given assurance that access to the yards will be given to the Maintenance team of Emalahleni LM as and when required. The municipality maintain servitudes to ensure access to the stands.	
6.3 How is the municipality ensuring that Main Contractors pay invoices to the sub- contractors to avoid a situation where small businesses are kept out of business?	Technical 6.3 Subcontracting agreements exist between the main and the subcontractor The municipality encourages main contractors to pay subcontractors on time this stems In the event that there are payment challenges we give the main contractor and sub-contractor the option of direct payments to the sub-contractor from the municipality	

MPAC QUESTIONS TO MAYORAL COMMITTEE AND MANAGEMENT BASED ON THE AUDITED ANNUAL REPORT FOR 2018/2019 FY

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
1. The municipality has attained clean audit opinion in the 2018/19 financial year. What are the key issues that could have contributed towards the municipality attaining the Clean Audit?		1.	
2. What plans do you have in place to ensure that the municipality does not regress?		2.	
3. What challenges or risks have you identified during the 2018/19 preparation of AFS and audit process that you think would need urgent attention?		3.	
4. The Auditor-General raised the following "Emphasis of matters": (a) Underspending of the Budget (b) Restatement of corresponding figures (c) Irregular Expenditure 4.1. Can you explain why and how each of the above happened?		4. 4.1	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
4.2 Who is the municipal official or any other person responsible for the above?		4.2	
4.3 Why was the irregular expenditure of R330 825.00 not identified and dealt with appropriately before submission of the AFS?		4.3	
5. Did the municipality use any consultants during the preparations of the AFS and if YES, why?		5.	
6. In case the municipality used consultants how much was the paid to them for their work?		6.	
7. During the MPAC meeting on the 30 January 2020, the Auditor-General present report about the local municipalities within the District which shows that the locals are not performing well.		7.	
8. What interventions do you suggest the District may make to assist improve the situations in the local municipalities?		8.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
9. The investment that the Municipality has, is for a long term or short term? 9.1 Can we be provided surety on this investments? 9.2 Can you also in a table form show the amounts you opened the investments with, how far is it now and the interest?		9. 9.1 9.2	
10. Has the action plan been implemented to fast-track the findings of AG?		10.	
11. There is a finding of Performance information not being accurate. How did management allow the information to be presented to AG without being checked?		11.	
12. Is there any re-occurrence of findings from AG's report? If yes, What measures are you putting in place to make sure there is no Re-occurrence of Findings in the next financial year?		12.	
13. Can you clarify this, on the report you say there is 100% spent on the Finance management grant but you also mentioned again that		13.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
you have vacancies of interns in finance. How was the grant spent if you still have vacancies?			
14. Why was the asset register not reviewed?		14.	
Page 78 – AFS Note 45 on PAYE and UIF			
15. Why does it not agreeing supporting documents?		15.	
16. Who is the Champion of the revenue strategy? Provide the timelines of the review.		16.	
17. On the acceleration plan that was presented achieved, were they any projects handed over? How many were they?		17.	
18. What bank cards do we have as a municipality? Who uses them and for what?		18.	
19. Is there any Service Provider who was fined due to submitting invoices late according to the resolution taken?		19.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
20. How much are we generating on selling tenders?		20.	
21. Have the municipality implemented the tender portal? Is it effective? Are our officials trained on it?		21.	

THE COMMITTEE RESOVED AS FOLLOW:

1. **THAT** the MPAC probing questions on the 2018/19 Audited Annual Report be submitted to the Mayoral Committee and Management for responses
2. **THAT** the MPAC Chairperson be mandated to invite the Mayoral Committee and Management to make oral representation on both the Unaudited and Audited Annual Reports on the 13/02/2020 in a meeting that would be open to members of the public
3. **THAT** the MPAC members reconvene on the 12/02/2020 to consider the responses from the Mayoral Committee and Management and prepare themselves for the public engagements with them on the 13/02/2020

g) Closure

The Chairperson thanked the Audit Committee Chairperson, National Treasury, MPAC Chairpersons from the local municipalities and other Section 79 Oversight Committee Chairpersons for their support and contributions in the meeting. He further said MPAC had achieved a lot because of their support. He further reminded the members that everyone wants to see the municipality moving forward and attaining its former glory. The Chairperson asked the Acting GM to pass the message to Management that the members were not impressed with the way the MPAC questions were responded to, as in most cases it looked like they just were doing it for pure malicious compliance. He reminded him that the MPAC members took their time and energy and drafted the questions because they wanted the municipality to sustain the Clean Audit. He then declared the meeting officially closed.

MEETING TERMINATED AT 13H15

CERTIFIED AS CORRECT AND SIGNED BY CHAIRPERSON ON

21/02/2020



CHAIRPERSON

MINUTES



**OF THE 5th (2019/2020) SPECIAL SECTION 79 MUNICIPAL PUBLIC
ACCOUNTS COMMITTEE (MPAC) MEETING TO CONSIDER AND
CONSOLIDATE FOLLOW-UP QUESTIONS ON WRITTEN RESPONSES
FROM MAYORAL COMMITTEE AND MANAGEMENT BASED ON MPAC
QUESTIONS ON ANNUAL REPORT**

12 FEBRUARY 2020

MINUTES



**OF THE 5th (2019/2020) SPECIAL SECTION 79 MUNICIPAL PUBLIC
ACCOUNTS COMMITTEE (MPAC) MEETING TO CONSIDER AND
CONSOLIDATE FOLLOW-UP QUESTIONS ON WRITTEN RESPONSES
FROM MAYORAL COMMITTEE AND MANAGEMENT BASED ON MPAC
QUESTIONS ON ANNUAL REPORT**

12 FEBRUARY 2020

MINUTES OF THE 5th (2019/2020) SPECIAL SECTION 79 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) MEETING TO CONSIDER AND CONSOLIDATE FOLLOW-UP QUESTIONS ON WRITTEN RESPONSES FROM MAYORAL COMMITTEE AND MANAGEMENT BASED ON MPAC QUESTIONS ON ANNUAL REPORT HELD IN COMMITTEE ROOM A50, SECOND FLOOR, SPEAKER'S OFFICE ,NKANGALA DISTRICT MUNICIPALITY, 2A WALTER SISULU STREET, MIDDELBURG ON WEDNESDAY, 12 FEBRUARY 2020, AT 09:00 TO CONSIDER THE ATTACHED AGENDA AS PER THE STANDING RULES AND ORDERS AND TERMS OF REFERENCE.

Attendance Register is attached.

(a). Notice of the meeting

The MPAC Researcher, Mr HL Phala read the notice of the meeting.

b) Opening and Welcome

The Chairperson, Cllr XS Ngwenya requested that all to observe a moment of silence and meditation in prayer. He thanked the members of the committee for availing themselves to the meeting and appreciated their good so far. He further said that as a committee they were faced with a great work of submitting an Oversight report to Council on the 26 February 2020, which needed them to work extra hard so as to deliver. He encouraged members to prepare themselves thoroughly with follow-up Questions for the following day's meeting with the Mayoral Committee and Management for oral representation.

c) Applications for leave of absence

The following leave of absence was presented and approved:
Cllr TE Motanyane, MPAC Member – due to other political work

d) Consideration of responses from Mayoral Committee and Management

The responses from the Mayoral Committee and Management were presented by the MPAC researcher and areas for possible follow up questions were identified. The Chairperson divided areas for consideration amongst Committee members so that they could be able to intensively deal with the follow-up questions as follow:

- Issues relating to the technical quality of the report were assigned to Cllr Motanyane
- Financial related issues to be taken care of by Cllr Sibanyoni
- Non-Financial issues were assigned to Cllr Skhosana
- Issues relating to MPAC project site visits were given to Cllr Mokolo

The Mayoral Committee and Management responses and possible follow ups are captured in the table below.

MINUTES OF THE 5th (2019/2020) SPECIAL SECTION 79 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) MEETING TO CONSIDER AND CONSOLIDATE FOLLOW-UP QUESTIONS ON WRITTEN RESPONSES FROM MAYORAL COMMITTEE AND MANAGEMENT BASED ON MPAC QUESTIONS ON ANNUAL REPORT HELD IN COMMITTEE ROOM A50, SECOND FLOOR, SPEAKER'S OFFICE ,NKANGALA DISTRICT MUNICIPALITY, 2A WALTER SISULU STREET, MIDDELBURG ON WEDNESDAY, 12 FEBRUARY 2020, AT 09:00 TO CONSIDER THE ATTACHED AGENDA AS PER THE STANDING RULES AND ORDERS AND TERMS OF REFERENCE.

Attendance Register is attached.

(a). Notice of the meeting

The MPAC Researcher, Mr HL Phala read the notice of the meeting.

b) Opening and Welcome

The Chairperson, Cllr XS Ngwenya requested that all to observe a moment of silence and meditation in prayer. He thanked the members of the committee for availing themselves to the meeting and appreciated their good so far. He further said that as a committee they were faced with a great work of submitting an Oversight report to Council on the 26 February 2020, which needed them to work extra hard so as to deliver. He encouraged members to prepare themselves thoroughly with follow-up Questions for the following day's meeting with the Mayoral Committee and Management for oral representation.

c) Applications for leave of absence

The following leave of absence was presented and approved:
Cllr TE Motanyane, MPAC Member – due to other political work

d) Consideration of responses from Mayoral Committee and Management

The responses from the Mayoral Committee and Management were presented by the MPAC researcher and areas for possible follow up questions were identified. The Chairperson divided areas for consideration amongst Committee members so that they could be able to intensively deal with the follow-up questions as follow:

- Issues relating to the technical quality of the report were assigned to Cllr Motanyane
- Financial related issues to be taken care of by Cllr Sibanyoni
- Non-Financial issues were assigned to Cllr Skhosana
- Issues relating to MPAC project site visits were given to Cllr Mokolo

The Mayoral Committee and Management responses and possible follow ups are captured in the table below.

ITEM IN DISCUSSION

CONSIDERATION OF RESPONSES FROM MAYORAL COMMITTEE AND MANAGEMENT

DM-MPACS06/02/2020

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 5 1. REVISED ANNUAL REPORT TEMPLATE 1.1 To which MFMA circular is this template related? 1.2 Was that circular and template adopted by council? The page numbering of the Report is not consistent. There are some pages which are not numbered, for example is numbered from page 1-101 and then from 140-229. 1.3. What are the reasons for this?	PMS	1.1 Circular 63 of the MFMA 1.2 Yes, The council adopted the Circular 63 format but not the reporting deadlines. The Circular 63 reporting time lines are not aligned to Section 121 of the Municipal Financial Act (MFMA). The MFMA supersede the Circular 63. The purpose of the circular is to guide the municipality on how to develop annual report and the key deadline are not align with the MFMA. Therefore, Nkangala District Municipality (NDM) adopted the format of the Circular 63 and implementing reporting deadlines as per the MFMA required. Attached is Council Resolution. NDM has been implementing MFMA dead line for the past years and Auditor General raised no issues regarding the implementation. There is no Council Resolution found on the municipal records. 1.3. It was as a result of an oversight. Follow-up Question a) Was proof reading done on the report? If yes, Why wasn't this corrected?	1.2. Conflicting statements: Attached is Council Resolution and there is no Resolution found on the municipal records MPAC agrees that the AG never raised issues against it, but they wanted to establish whether all aspects of the Circular are followed including the format, suggested activities and timelines. 1.3. Council resolved that Technical Team be established to deal with Technical errors that usually happen during reporting. Management reported that such a Technical Team was establish to proof read all reports before they are send out and to other authorities. Who are the

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
1.4 What does "Error: Bookmark not defined" in the Content part of the report mean?		1.4. It is a format issue and it will be rectified going forward.	members of the Team? Did the team sit to look into the Annual Report to before it was issued out? (Minutes and attendance register) NB: MPAC is concerned that technical mistakes do not represent council well since "Annual Report" is a public an a historical document of council. Management must also be worried about these small technical issues. NB: Page 12 of Circular 63: "Failure to table accurate and quality information in the Annual Report will be considered a breach of the MFMA and MSA"
MAYOR'S FOREWORD Page 6-9 2. Mayor's foreword does not reflect the Municipality's strategic alignment to Provincial Growth and Development strategy. What could be reason?	Executive mayor's office	2. It was an oversight and to be corrected before it goes for adoption by Council in the next Financial. (To indicate national/provincial PGDS). Follow-up Question b) Why was the format of Mayor's Foreword not followed as indicated in circular 63? c) Can you explain what do you mean by oversight?	THAT the foreword needs to reflect what is indicated in circular 63 before is made public. See comment above with regard to Oversight> NB: The Annual Report is already adopted by council with these errors. (Since the report is already adopted by council, Management should rework the document and present it for record purposes)

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
3. The ownership of Mayor's foreword is not endorsed. Could there be any reason why it was not signed off?	PMS	3. Mayor's foreword on the Annual report has been signed by the Executive Mayor. The office of MPAC requested the softcopy not hard copies to prepare for the agenda. Attached Annual Report.	Respond not Accepted All documents submitted to MPAC must be final and signed, whether soft or hardcopy
4. Circular 63 provides the Format of the Annual Report which should be adopted by municipalities with clear reporting details in each Chapter. 4.1 Was this Annual Report Format adopted by council?	PMS	4.1 Yes, The council adopted the Circular 63 format but not the reporting deadlines. The Circular 63 reporting time lines are not aligned to Section 121 of the Municipal Financial Act (MFMA). The MFMA supersedes the Circular 63. The purpose of the circular is to guide the municipality on how to develop annual report and the key deadline are not align with the MFMA. Therefore, Nkangala District Municipality (NDM) adopted the format of the Circular 63 and implementing reporting deadlines as per the MFMA required. Attached is Council Resolution. NDM has been implementing MFMA dead line for the past years and Auditor General raised no issues regarding the implementation. There is no Council Resolution found on the municipal records. Follow-up Question d) Can Management highlight the deadlines that they have adopted? The MFMA reporting deadlines be submitted as POE to MPAC. See page 25 of Annual report Do you follow the Circular as indicated on your response? Can the Council Resolution be submitted because it wasn't attached	4.1. NB: Compare this response to the one above (1.1. and 1.2) This confirms the importance of Council Resolution on Circular 63, to establish which parts of the circular were adopted by council and which were exclude.
4.2 Does the Mayor's Foreword contain all information relating to the topics identified by	PED	4.2 No, the Mayor's foreword did not cover the entire element applicable to Nkangala District municipality, in that it did not provide the National/Provincial PGDS).	THAT the foreword needs to reflect all the elements as indicated in circular 63.

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
MFMA circular 63? IF NO what are the reasons? 4.2.1 What is the municipality's strategic alignment to the Mpumalanga Provincial and Growth and Development Strategy? 4.2.2 What corrective actions were taken to ensure that strategic objectives as stipulated in the IDP were achieved? 4.2.3 What methods were used /implemented to improve public participation and accountability in the municipality? 4.2.4 What corrective actions should be employed so that service delivery can be improved?	PMS /PED	Follow-up Question e) Why does it not cover the entire element applicable to Nkangala District Municipality? 4.2.1 The alignment of the municipality's strategic plan with the Mpumalanga Provincial Growth and Development Strategy is captured in the NDM Vision 2030 as approved by council and will form part of the current IDP review 2020/21. 4.2.2 the eight strategic objectives in the IDP have been linked to Key Performance areas of Departments and form part of the performance agreement of General Managers and Municipal Manager. The SDBIP is used to monitor quarterly to council the implementation of the IDP and report to council and other oversight committees. Follow-up Question d) Can Management provide MPAC with proof to show that there is improvement? 4.2.3 The Municipality conducts committee outreach forums in all six (06) municipalities and there are established IGR Forums which advocates for public participation and accountability. 4.2.4 The Municipality developed an acceleration plan for implementation of the infrastructure investments projects. The municipality conducted a Community Satisfaction Survey and the issues raised through community survey are being implemented in the current financial year.	NB: Page 12 of Circular 63 indicates the Content to be included in the Mayors Foreword 4.2.1. The response does not answer the question.

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
		Follow-up Question f) Provide an example of the acceleration plan that was achieved in time? g) Provide the Annual procurement plan that shows all projects that were planned for the FY as requested by Treasury in the beginning of the year and informed by MFMA circular 62.	
MUNICIPAL MANAGER'S FOREWORD 5. On the MFMA 121 the purpose of Annual Report, the sub-sections are captured in alphabets while on the report there is use of Roman figures. Could this be clarified as why not quoted as the law is written or numbered?	PMS	5. Management acknowledges the error and such shall be rectified going forward. 5. See comments on "Oversight" above (NB: MM must use the Technical Team maximally to ensure that quality reports are produced at all cost.)	Response Accepted
6. The Municipal Manager's Foreword indicates that the municipality's financial base remains limited, because its main source of income is		6. The Deficit is financed through Cash Back. Follow-up Question	Response not Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
government grants. This confirms the concerns raised by the Audit Committee and the National Treasury that the municipality is budgeting on a deficit. MPAC already asked questions about this and management reported that the municipality has a revenue enhancement strategy.		i) The revenue enhancement strategy has targets, Can you tell us if this is achieved? j) What plan do you have to grow the Investment?	
6.1 What is your analysis of the revenue enhancement strategy? Are you succeeding or not? (Please provide copies of the revenue enhancement strategy to the MPAC) 6.2 Who are responsible to drive this strategy? 6.3 What are the measurable targets of the strategy?	Office of Municipal Manager	6.1. A Revenue Enhancement Strategy was adopted by Council, see the attached strategy. Implementation of Costs Containment Regulations curtails the exorbitant expenditure and as such <u>Follow-up Question</u> k) We need to know if the strategy is working and achievable, Can you Provide proof? 6.2 The Revenue Enhancement Strategy is implemented by Management. <u>Follow-up Question</u> l) Can you be specific on who does what and how? If the strategy fails who is to be held accountable? Who is management? 6.3 There are no measurable targets. <u>Follow-up Question</u>	The Revenue Enhancement Strategy is not attached NB: Municipal Manager Foreword is explained on page 13 of the Circular 63. 6.1 Was the implementation of Cost Containment Regulations part of the 2018/19 Revenue Enhancement strategy? (NB: The report is focusing on what was done in 2018/19. 6.2. Who in the management does what and when? 6.3 Why? How do you measure whether the strategy is successful or not?

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
		m) How can you have a strategy that has no measurable strategy?	
7. The Municipal Manager's Foreword indicates that NDM as going-concern institution, have many of its projects and programme continue into future financial years. 7.1 How do you measure the municipality's going-concern based on the fact that it is budgeting on a deficit and dependent on grants? 7.2 What is the value of the projects and programmes that are taken into future financial years? 7.3 What is the correct financial health of the municipality? 7.4 What is the revenue trend of the municipality by source	Finance department	7.1. Deficit will be funded through cash reserves and the going concern will be assessed through liquidity and solvency ratios. Follow-up Question n) Provide those liquidity and solvency ratios? Tell us the sustainability of those cash reserves. o) Can you provide us with a comparative analysis of the past three years and the focus of the next two years in a graph form. 7.2 R135 659 000 for 2020/2021 R97 060 000 for 2021/2022 Follow-up Question p) Why is there a decline? 7.3 The Financial health is determined by positive liquidity and solvency ratios which indicates the municipality's ability to meet their financial obligations when they become due.	NB: The major concern of the MPAC should be around the declining budget on support to local municipalities (Transfers and subsidies, which will require debate with Exco and management. Input from AG and Audit Committee should be solicited) 7.1. Can you provide the comparative analysis of municipality's financial position of the municipal for the past 3 years and the coming 2 years.
			Response not Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
including borrowings undertaken?		7.4 The revenue will increase by 1.73% from 2019/2020 to 2020/2021 and by 2.41% from 2021/2022 to 2021/2022 by 2.45% respectively. Follow-up Question q) Give a breakdown of revenue source and the percentage of its growth.	
Page 12 8. On the Institutional Performance –KPA's (KPI'S) 2017/2018 and 2018/2019 the rating for IDP is N/A. What are the reasons this?	PMS unit	8. Initial reporting was based on departmental performance and it is currently based on KPAs.	Response Accepted
9. The Circular 63 states that the Annual Report should contain the municipal overview in Chapter 1 which highlights among others information on demographics, economic growth, population, growth and development structures. Is there any specific reason why this Annual Report is silent on those?	PMS PMS	9. Information on demographics, economic growth, population, growth and development structures is included on chapter one of Annual Report page 16-19. Therefore it is not silent.	Response Accepted Make a comparison with 1.3. Municipal Overview under Municipal Manager Foreword page 13 of Circular 63
10. What are the internal management changes in relation to Section 56 managers as required in terms of Circular 63?	Corporate services department	10. Only change was the appointment of GM: Technical services who was appointed on 1 March 2019.	Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS																				
11. What are the municipality's top 5 risks and what the mitigating factors?	Risk	<table border="1"> <thead> <tr> <th>No.</th><th>Risks/ Threats to achieving objective or planned output</th><th>Root cause/ Contributing factors</th><th>Future action/ Treatment plan</th></tr> </thead> <tbody> <tr> <td>01</td><td>Inability to achieve financial sustainability</td><td>Low revenue income</td><td>Assist VKLM (Valuation roll and Emakhazeni (By laws) all other Local Municipalities with their by-laws.</td></tr> <tr> <td></td><td></td><td>Declining nature of equitable share</td><td>Engage National Treasury for other sources of revenue</td></tr> <tr> <td></td><td></td><td>Negative national credit rating affecting borrowing powers on Local Municipalities</td><td>To be elevated to Council</td></tr> <tr> <td></td><td></td><td>Lack of effective and efficient</td><td>Continue with the SCM/ debt</td></tr> </tbody> </table>	No.	Risks/ Threats to achieving objective or planned output	Root cause/ Contributing factors	Future action/ Treatment plan	01	Inability to achieve financial sustainability	Low revenue income	Assist VKLM (Valuation roll and Emakhazeni (By laws) all other Local Municipalities with their by-laws.			Declining nature of equitable share	Engage National Treasury for other sources of revenue			Negative national credit rating affecting borrowing powers on Local Municipalities	To be elevated to Council			Lack of effective and efficient	Continue with the SCM/ debt	Which by-laws are you referring to this? How do by-laws relate to achieving financial sustainability? The National Treasury and CoGTA has instructed municipalities with financial stress to develop recovery plans. Have the locals developed such and how successful are those recovery plans? What do you suggest council should do with this?
No.	Risks/ Threats to achieving objective or planned output	Root cause/ Contributing factors	Future action/ Treatment plan																				
01	Inability to achieve financial sustainability	Low revenue income	Assist VKLM (Valuation roll and Emakhazeni (By laws) all other Local Municipalities with their by-laws.																				
		Declining nature of equitable share	Engage National Treasury for other sources of revenue																				
		Negative national credit rating affecting borrowing powers on Local Municipalities	To be elevated to Council																				
		Lack of effective and efficient	Continue with the SCM/ debt																				

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES				MPAC RECOMMENDATIONS/COMMENTS
		02	Inadequate organizational performance	expenditure control in Local Municipalities Inadequate leadership	collection system Training and development of Leadership on efficient and effective management skills	(Explain this)
				Capacity Constraints in terms of warm bodies and in terms of knowledge and skills Noncompliance to the PMS policy and framework	Filling of funded vacant positions within three month Signing of performance agreement level 1-3 by 31 July 2018 Enforce consequence management	At what level is this leadership referred to? Why were funded positions not filled?)
				Lack of approved a succession plan and retention strategy	Development of succession plan and retention strategy	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS																												
		<table> <tr> <td></td><td></td><td>Low grading of the Municipality</td><td>Follow-up on progress on the finalization of the grading process</td></tr> <tr> <td></td><td></td><td></td><td>Implement the graded jobs as per the job evaluation report</td></tr> <tr> <td>03</td><td>Inadequate support of SMME's, cooperatives and informal traders</td><td>Lack of phase in approach</td><td>Implement the programme on financial and non-financial support</td></tr> <tr> <td></td><td></td><td>High levels on unemployment</td><td>Engage stakeholders(SEFA)</td></tr> <tr> <td></td><td></td><td>Lack of understanding/ clarity on government policies.</td><td>Conduct workshops for SMME'S</td></tr> <tr> <td></td><td></td><td>Public and Private institutions working in silos</td><td>Quarterly LED forums</td></tr> <tr> <td></td><td></td><td>Inadequate funding</td><td>Engage stakeholders(SEFA)</td></tr> </table>			Low grading of the Municipality	Follow-up on progress on the finalization of the grading process				Implement the graded jobs as per the job evaluation report	03	Inadequate support of SMME's, cooperatives and informal traders	Lack of phase in approach	Implement the programme on financial and non-financial support			High levels on unemployment	Engage stakeholders(SEFA)			Lack of understanding/ clarity on government policies.	Conduct workshops for SMME'S			Public and Private institutions working in silos	Quarterly LED forums			Inadequate funding	Engage stakeholders(SEFA)	By who?. Expand on this?
		Low grading of the Municipality	Follow-up on progress on the finalization of the grading process																												
			Implement the graded jobs as per the job evaluation report																												
03	Inadequate support of SMME's, cooperatives and informal traders	Lack of phase in approach	Implement the programme on financial and non-financial support																												
		High levels on unemployment	Engage stakeholders(SEFA)																												
		Lack of understanding/ clarity on government policies.	Conduct workshops for SMME'S																												
		Public and Private institutions working in silos	Quarterly LED forums																												
		Inadequate funding	Engage stakeholders(SEFA)																												

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES				MPAC RECOMMENDATIONS/COMMENTS
				Business plans for SMME's that are not bankable	Development a MOU with SEDA	Explain this? What criteria did you use to appoint them?) (How do you reconcile this with the Management responses that the Municipality has SOPs?)
		04	Inadequate provision of basic environmental health services	Inadequate skills	Training of officials to be peace officers	
				Outdated procedure manual.	Reviewing the procedure manual	
				Inadequate implementation of the by-laws (Fine list submitted and awaiting approval by magistrate.	Ensure full implementation of the by law tariffs.	
		05	Inadequate reduction of service delivery backlogs	Decreased natural resources	Augmentation of natural resources (Moloto bulk water supply, bulk water supply from Phola to Wilge)	
					Limited Financial resources	Investigation for possible funding
					Ageing Infrastructure	Replacements of AC pipes

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS			
		<table><tr><td></td><td>Lack of technical expertise in Local Municipalities</td><td>Upgrading of roads and Storm water</td></tr></table>		Lack of technical expertise in Local Municipalities	Upgrading of roads and Storm water	How is this related to the root cause?)
	Lack of technical expertise in Local Municipalities	Upgrading of roads and Storm water				
12. On the SDBIP 2018/2019 12.1 Can you clarify why there is a drop in performance from 95% to 84 %?(a difference of 11%)?	PMS	12.1. Good governance and public participation: • Two MPAC meetings could not sit due to lack of quorum • Two Public Participation meetings at Victor Khanye Local Municipality couldn't held due to security threats, and one at Emalahleni Local Municipality due to miscommunication of venue. • Two LLF meetings did not sit due to lack of quorum • NDM file plan not submitted to council due to delay in the approval by provincial archived. LED • On EPWP there were few capital projects under implementation during 2018/2019, which affected the numbers because of local content delays. • The adverts were extended via an erratum at the request of Local Municipalities, this led to a delay in appointing beneficiaries/ SMMEs for the programme Follow-up Question - What was the target of the EPWP capital projects for 2018/2019 FY? - Can you list the number of beneficiaries which were supposed to be placed on those projects and which are those capital projects? MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT AND BASIC SERVICES DELIVERY	12.1. This need to be corrected. Two MPAC meetings could not be convened due to non availability of two members namely Cllr XS Ngwenya due sick leave and Cllr Sibanyoni due study leave)			

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
12.2 What measures are put in place to address this and prevent it from happening again?		12.2. The report on Annual performance report is included on chapter 5 of the annual report, challenges, which are reasons for non-achievement, are stated and remedial actions are in the report.	Response not Accepted Give us measures not the report
PROJECTS 2018/2019 13. There is a drop in performance with regard to projects from 89% to 80%. 13.1 What are the reasons for this drop?	All departments	PED 13.1 74% was spent on capital projects. Delay in appointment of service providers due to the re-advertisement of projects because of challenges experienced with the local content item in the infrastructure projects tender documents. Therefore LED KPA for 2017/18 the performance was 100%, which dropped to 75% in 2018/19. In total there were four projects and one was not achieved (the target was 25 SMMEs supported with tools and equipment). The project was delayed by the extension of call for submission of proposals from SMMEs at the request of Local municipalities, as well as the verification process of qualifying SMMEs. Provide the list of those projects 13.2 Training on local content was provided to Management. Follow-up Question	
13.2 What corrective and preventative measures put			

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
in place to curb this from recurring?		- When was it provided? Was it before or after the Adverts?	
14. MFMA Circular 63 (page 12) under format of annual report details out Six Chapters an Annual Report should have. Under which Chapter does page 13 of this Unaudited Annual Report belong?	PMS	14. Page 13 is part of the Executive summary which forms part of chapter one.	Response Accepted
Page 18 15. Under alphabet (d), Transfers and Subsidies, reflects 100% non-spending. 15.1. What could be the reason for this non-spending? 15.2 What corrective measures are put in place to prevent this from recurring?	Finance and Technical	15.1 The contract of the appointed Service Provider came to an end in April 2019 and a new Service provider had to be procured, hence the rollover was requested. 15.2 Monitoring of Contracts has been centralised in the SCM and the Electronic Contract Management System monitors the contract management and sends reminder on the lapsing of contracts. Follow-up Question - If the SCM has electronic system that sends reminder messages, Why do we still have that gap of improving how we do our business to the point the work got delayed to be done?	Response Accepted
Page 18	Finance		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS																											
16. Interest, Dividends and Rent on Land. 16.1 What are the reasons for slow implementation of the projects for local municipalities? 16.2 What corrective measures are put in place to curb this from recurring?		16.1 The projects started late as a result of local content 16.2 Training was provided	Response Accepted Response Accepted																											
Page 19 Employee Related Cost 17.1 How many of the funded posts were not filled by the end of the Financial Year, and why?	Corporate services	17.1 <table><tr><th>Department/Unit</th><th>Position</th><th>Level</th></tr><tr><td rowspan="3">Social Services</td><td>Control Room Operator</td><td>10/9</td></tr><tr><td>Snr Fire Fighter</td><td>9/9</td></tr><tr><td>Jnr Fire Fighter</td><td>10/9</td></tr><tr><td></td><td>Community Service x 2</td><td>N/A</td></tr><tr><td>Finance</td><td>2 x Finance Interns</td><td>N/A</td></tr><tr><td rowspan="2">Corporate Services</td><td>Committee Clerk</td><td>8/9</td></tr><tr><td>Messenger/Driver</td><td>12/9</td></tr><tr><td>PED</td><td>EPWP Data Capturer</td><td>N/A</td></tr><tr><td>Exec Mayors' office</td><td>Secretary to the Executive Mayor</td><td>6/9</td></tr></table>	Department/Unit	Position	Level	Social Services	Control Room Operator	10/9	Snr Fire Fighter	9/9	Jnr Fire Fighter	10/9		Community Service x 2	N/A	Finance	2 x Finance Interns	N/A	Corporate Services	Committee Clerk	8/9	Messenger/Driver	12/9	PED	EPWP Data Capturer	N/A	Exec Mayors' office	Secretary to the Executive Mayor	6/9	17.1 Reasons why they were not filled? 17.3 Provide details to this response...How are the processes and when are they going to be concluded (NB: This is important for the MPAC to monitor progress)
Department/Unit	Position	Level																												
Social Services	Control Room Operator	10/9																												
	Snr Fire Fighter	9/9																												
	Jnr Fire Fighter	10/9																												
	Community Service x 2	N/A																												
Finance	2 x Finance Interns	N/A																												
Corporate Services	Committee Clerk	8/9																												
	Messenger/Driver	12/9																												
PED	EPWP Data Capturer	N/A																												
Exec Mayors' office	Secretary to the Executive Mayor	6/9																												
Follow-up Question - Why they were they not filled?																														

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
17.2 Which Departments are affected?		- Explain the N/A on the post levels?	
17.3 What impact does this have on service delivery and the overall municipal performance?		17.2 First Column of 17.1 provides the departments. 17.3 The affected departments are fully functional and no significant impact on service delivery as some are interns and others are junior positions. Follow-up Question - Why do you have a budget allocated for them if they do not have any impact or insignificant?	Response Accepted
17.4 What measures are put in place to correct this?		17.4 The process of filling all the vacant positions have been commenced with to address the issue Follow-up Question - When has the process started and when will it be completed?	
Page 23 – AG’s report 18. In 2017/2018 the NDM got unqualified opinion. 18.1 Are all the measures contained in the Action Plan to address the Auditor-General’s Findings implemented by the end of the Financial Year?	Internal audit Finance services and all department	18.1 All were implemented save for the Finalisation of the Investigation of Irregular Expenditure which is still within MPAC 18.2 Irregular Expenditure reports are still being investigated by MPAC.	18.3 See reports on implementation of MPAC resolutions and the report submitted to council (Slide Presentation) Response not Accepted The matters of this report are not done

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS						
18.2 If NOT, what were the measures not yet implemented and why? 18.3 Are all MPAC recommendations included in the Oversight report implemented? 18.4 If NOT, why? (NB: Please provide a detailed report showing all the MPAC recommendations contained in the Oversight Report and their implementation)		18.3 GM Corporate – Yes all resolution on the oversight report were implemented (List them and the implementation report) 18.4 GM Corporate <table><tr><th>Resolution</th><th>Progress made</th></tr><tr><td>THAT Council, having fully considered the 2017/18 Annual Report of the Nkangala District Municipality and representations thereon, adopt the Oversight Report WITHOUT RESERVATIONS</td><td>Oversight report was adopted by council under resolution no: DM-ND258/02/2019</td></tr><tr><td>THAT the Oversight Report with all its annexures be submitted to the Auditor-General, the Mpumalanga Provincial Treasury, the Mpumalanga Legislature and the Mpumalanga Department of Cooperative Governance and Traditional</td><td>Oversight report with all its annexures was submitted to the AG, PT , the Mpumalanga Provincial Treasury & Cogta on 4 & 5 March 2019.</td></tr></table>	Resolution	Progress made	THAT Council, having fully considered the 2017/18 Annual Report of the Nkangala District Municipality and representations thereon, adopt the Oversight Report WITHOUT RESERVATIONS	Oversight report was adopted by council under resolution no: DM-ND258/02/2019	THAT the Oversight Report with all its annexures be submitted to the Auditor-General, the Mpumalanga Provincial Treasury, the Mpumalanga Legislature and the Mpumalanga Department of Cooperative Governance and Traditional	Oversight report with all its annexures was submitted to the AG, PT , the Mpumalanga Provincial Treasury & Cogta on 4 & 5 March 2019.	Response noted
Resolution	Progress made								
THAT Council, having fully considered the 2017/18 Annual Report of the Nkangala District Municipality and representations thereon, adopt the Oversight Report WITHOUT RESERVATIONS	Oversight report was adopted by council under resolution no: DM-ND258/02/2019								
THAT the Oversight Report with all its annexures be submitted to the Auditor-General, the Mpumalanga Provincial Treasury, the Mpumalanga Legislature and the Mpumalanga Department of Cooperative Governance and Traditional	Oversight report with all its annexures was submitted to the AG, PT , the Mpumalanga Provincial Treasury & Cogta on 4 & 5 March 2019.								

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
		Affairs in compliance with relevant legislative prescripts THAT the Oversight Report be made public in terms of Section 129(3) of the MFMA THAT recommendations contained in the MPAC Projects Site Visits be implemented and progress report be submitted to council on quarterly basis THAT the Management Action Plan addressing issues raised by the Auditor-General together with Audit Committee and MPAC recommendations made during probing sessions be implemented and reports be submitted to council quarterly Follow-up Question Can we be provided with progress on all the resolutions?	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
19. Have all irregular expenditures raised by AG in 2017/18 Audit Report investigated?	Internal Audit	19. Yes, all were investigated by Internal Audit. Follow-up Question - Were they also referred to MPAC? If yes, when and how were they finalised?	
Page 13 GOVERNANCE 20. Under NDM District-wide Outcomes: <i>The sentence reads: In order to realise our Vision, Nkangala District Municipality in 2017/2018 financial year has worked according to the developed 10 Goals called District-wide Outcomes, referred to as District-wide Outcomes</i> 20.1 Can the sentence be properly rephrased? 20.2 Since the report shows what happened in 2017/18 Financial Year, what was the situation with regard to 2018/19?	PMS Unit	20.1 Management acknowledges and it will be properly phrased in future. 20.2 Mentioning of 2017/2018 was erroneously included, it should read 2018/2019	20.1 and 20.2 Was there any proof reading of the report before submission? Who proof read the document? How did these technical errors evade all quality assurers until they reach council?
Page 27 21. The report lists committees established by council. The MPAC is made to believe that there is also a	Corporate Services		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
council committee called “Welfare Committee” in council. 21.1 If this is TRUE, what are the reasons why this committee is omitted in this report? 21.2 How effective is this Welfare Committee?		21.1 The Committee has been established by Council and called Councillors Welfare Committee, with an intention to monitor the welfare of Councillors and it is yet to submit its report to Council. 21.2 The Committee is yet to report to council.	Response Accepted Response noted
POWERS AND FUNCTIONS 22. What role does the District municipality play in terms of basic services like water, electricity and housing which the key challenges in the District?	Technical services	22. NDM’s role is that of implementation of infrastructure (water, sanitation, roads, storm water and electricity) projects to eradicate backlogs, as per projects that are submitted to the District by local municipalities and as prioritised in the IDP.	Response Accepted
23. What programmes and project did the municipality have in 2018/19 with regard to its powers and functions listed below? How successful or unsuccessful were they? 23.1 Promotion of local tourism for the area of the District Municipality?	PED	23.1 On local tourism the District had the following programmes and projects:	Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
23.2 The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major portion of the municipalities in the District? SOCIO-ECONOMIC OVERVIEW (page 15) 24. Can you explain what this paragraph seeks to inform readers about? (NB: The whole paragraph should be re-phrased.)		1. Participation in the annual tourism indaba in Durban, where local SMMEs were brought along to show case their products to International market 2. The District Hosted the provincial Digital tourism and digital transformation workshop in line with the of world tourism organisation. 3. the district supported the establishment of the Regional Tourism Organization (RTO), and supported local municipalities to establish Local Tourism Organizations (LTO) 23.2 On the powers and functions relating to fresh produce and abattoirs there are no specific projects that were directly undertaken by the District during 2018/19, however the District is a stakeholder in the projects of the Province.	(Why?)
PMS 24. It summarises the information which the Municipality is informing the readers on the district demographics, needs and statistics.			
DEMOGRAPHICS (page 16) Correct: 25. Why is this item not numbered? (NB: The caption should be properly numbered to ensure consistency in reporting.	PMS	25. Management acknowledge an input in this regard and shall be corrected.	Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
(NB: The first sentence need to be re-phrased)			
26. What was the purpose for each grant and how much was allocated per Grant?	Finance	26. Grant Allocation was as follows: i. Finance Management Grant R1 000 000 – is for procurement of finance management systems and internship programs for finance department. ii. EPWP Grant R3 626 000 – to encourage job creation within municipality iii. RRAMS Grant R1 733 185 - set up rural rams and collect data on roads, bridges and traffic data on municipal road networks. iv. Equitable Share was R343 962 000 purpose is to subsidise provision of basic services.	
26.1 You state that the Rural Asset Management Grant has not been spent 100% (page 18).			
26.1.1 What was the purpose of the Rural Asset Management Grant?		26.1.1.1 It was for the development of the rural roads asset management systems. Follow-up Question - Can you further elaborate on the rural roads asset management systems?	Not complete
26.1.2 How much was the total allocation of this Grant?		26.1.2 Total Grant Allocation was	
26.1.3 When did the municipality become aware of the Grant?		26.1.3 2014/2015	Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
26.1.4 How much was spend on this Grant allocation? 26.1.5 What were the reasons for non-spending on this Grant?		26.1.4 R1 733 185 26.1.5 An amount in sum of R1 733 185 for the year under review. Not appropriately responded to. No reasons for non-spending given)	Response Accepted Response not Accepted Question not answered?
26.1.6 Which department and officials were responsible for the spending of this Grant?		26.1.6 Technical Services Follow-up Question - Provide names of those officials?	
Page 18 27. Under Interest, dividends and Rent on land (page 18) you indicate that the interest earned in the 2018/19 Financial Year was lower compared to that of 2017/18. 27.1 Can you demonstrate your reasons for this?	Finance	27. 27.1 this decrease is attributed to the improved implementation to local municipality and left less cash for investments 27.2 R 163 872 657	27.1 (NB: But the response is contrary to reports. There was slack in spending in 2018/19 and already reason for low spending such as local content were given. Management should help to

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
27.2 How much was the total budget for transfer and subsidies in 2017/18		27.3 R 167 663 578	reconcile these contradicting statements. EG figures on 27.2 to 27.5 give a different story to what is said here. Spending in 2017/18 was much higher than that of 2018/19) (Unspent amount in 2017/18 is R7 587 682 calculated as: Total allocation = R163 872 657 – total spent = R156 284 975 and the difference is R7 587 682 Total unspent amount in 2018/19 is R20 876 991 calculated as: Total allocation= R167 663 578 - total spent = R146 786 587 and the difference is R20 876 991)
27.3 How much was the total budget in 2018/2019?		27.4 R 156 284 975	
27.4 How much was spent in this in 2017/18?		27.5 R 146 786 587	
27.5 How much was spent in 2018/19?			

27.6 Explain this: 138.82% realised for budgeted amount for 2018/19. In the same paragraph you report what seems to be contradictory statements in that you state that the District earned less interest in 2018/19 Financial as compared to 2017/18 due to improved implementation of the projects to local municipalities under expenditure: Transfer and Subsidies. At the same time you report there is a variance that was due to slow implementation of the projects for local municipalities under the transfer and subsidies 27.7 Explain this contradiction. UNDER THE SALE OF GOODS (page 19) 28. 28.1 What was the Budgeted revenue in 2017/18?	Finance	27.6 The 138.82 is the comparison between the budget and actuals. The 0.72% is not contradictory as it is the comparison between 2017/2018 and 2018/2019 actual. 27.7 The 138.82 is the comparison between the budget and actuals. The 0.72% is not contradictory as it is the comparison between 2017/2018 and 2018/2019 actual. 28.1. R1 250 000 28.2. R195 000	Response Accepted Response Accepted Response Accepted Response Accepted
--	-----------------------	---	---

28.2 How much was collected in 2017/18?		28.3 Due to the less revenue received than expected as a result of introduction of electronic.	(NB:Electronic what and for what???)The sentence seems to be incomplete)
28.3 What were the reasons attributed to the difference between the budgeted revenue and the actual in 2017/18?		28.4 The Original Budgeted Revenue was R375 573 100 but the final adjusted budget was R387 031 495	Response Accepted
28.4 What was the budgeted revenue for 2018/2019?		28.5 The total Actual Revenue was R396 246 647	Response Accepted
28.5 How much was collected in 2018/19?		28.6 It must be mentioned that there was a better revenue collection than budgeted for in different units and functions. For a full explanation please see attached the detailed Report of the Chief Financial Officer on the Audited AFS.	Response Accepted
28.6 What are the reasons attributed to the difference between the budgeted revenue and the actual in 2018/19?		28.7 the difference was R4 852 248	Response Accepted
28.7 What is the difference between the revenue collected in 2017/18 versus that of 2018/19?		28.8 Annual Increase of transfers and subsidies led to the difference.	Response Accepted
28.8 What were the reasons that attributed to this difference if any?			

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
UNDER OPERATIONAL REVENUE (page 19)	Finance		
29.1 What constitute the Operational revenue?		29.1 The Breakdown is on note 23 of the AFS Skills Development, Staff recoveries and insurance refunds	Response Accepted
29.2 How much was the budgeted revenue in 2017/18?		29.2 The budgeted operational revenue was R361 600	Response Accepted
29.3 What was the reasons for the variance between the planned and actual in 2017/18?		29.3 The variance was as a result of less revenue received than planned	Response Accepted
29.4 How much was collected?		29.4 In 2017/2018 an amount in a sum of R490 014, was collected.	Response Accepted
29.5 What was the budgeted revenue in 2018/19?		29.5 The budgeted Revenue was R1 110 055	Response Accepted
29.6 How much was collected?		29.6 an amount in a sum of R351 271, was collected	Response Accepted
29.7 What was the reasons for the variance between the planned and actual in 2018/19?		29.7 The variance was as a result that less revenue was received than planned NB: What were the reasons for under collection?)	Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 55 31.Basic Services 31.1.1 What could be the reasons for households with formal refuse removal to be below 50%? 31.2 What strategies and programmes are there to improve the situation? 31.3 How do you reconcile figures with regard to households with piped water at/above RDP level standing at 86% with the Key Service delivery issues emanating from outreach meetings on page 43 which suggest that water is a critical challenge within the District? 31.4. Why is the municipality depending of 2011 statistics for Basic Service Delivery, and who is the authority of this statistics?	Technical services Municipal PED	31.1.1 Refuse removal is taking place at urban and formalised areas and it is not much concentrated on rural village areas. 31.2 Local Municipalities have KPI's on their SDBIP's to collect a certain percentage of refuse from their communities, and these are substantiated by their action plans in the case of non-achievements. 31.3 Inadequate infrastructure in some areas and constant population growth are the major factors leading to insufficient supply of water to the community. 31.4 STATSSA is the only formal/official census in 10-year intervals and do community surveys in between the years, which are a samples in 2-year intervals. The last formal STATS was done in 2011 as per STATSSA website. 31.5 The District is using information from other sources, such as ISH Global insight, the district also relies of the data generated by DEDT.	Response Accepted Response Accepted Response Accepted Response Accepted Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
31.5 How does the municipality supplement or close the gaps on data provided by institutions such as Statistics SA when doing planning? 31.6 Does the municipality have its internal data management system? If NOT, why?		31.6 No, however The district has a researcher who works with research institutions and participates in the provincial research forum to generate data that is relevant to the municipality. The Municipality does not have a particular Data Management System procured. However, the Municipality keeps data of all issues raised and reported to the Municipality through the Mayoral Imbizo/Outreaches. Further to the above, the Municipality has access to the Data of Local Municipalities and further data can be sourced from Statistic South Africa.	Response Accepted
Page 59 – Water Projects 32. Expenditure in some projects reflects as low as 0%, 4% and 49% respectively. 32.1. What are the causes of this low spending? 32.2. What is being done to improve this situation and ensure it does not recur?	Technical services	32.1 This was a result of the catching up that we had to do, following the re-advertisement of seven big projects as a result of that local content finding. 32.2 From a project management side, an acceleration plan was put in place and monitored to ensure that the department finished the financial year with acceptable performance in terms of expenditure (which was 74%), and thus the overall performance of the Municipality. Further to this, all members of the bid specification, evaluation and adjudication	Response Accepted Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
		committees were taken for local content training at the Department of Trade and Industry to ensure that we are equipped with the necessary capabilities to avoid such an incident from recurring. Following the 2018/ 19 FY year audit, no findings were made in this regard, which shows that the training bared positive results.	
Page 60 and 61 – Sanitation project 33. The report states that all category of B municipalities in Mpumalanga are Water Service Authorities. However, some local municipalities within the District do not have capacity to perform such function. The report also shows capital expenditure on sanitation projects in some instances as low as 0%, 9% and 26%. 33.1 Which are those local municipalities within the District that does not have capacity to perform their water functions?	Technical services	33.1 The District Municipality has not yet conducted capacity assessment in line with the provisions of Section 78 of the Municipal Systems Act, Act 32 of 2000, which states as follows: “ If a municipality decides in terms of subsection (2)(b) to explore the possibility of providing the municipal service through an external mechanism it must- (a) conduct or commission a feasibility study which must be taken into account and must include-	33.1 (Based on your response can you explain where and how the statement on page 60 and 61 that some municipalities within the District do not have capacity to perform the functions listed in the question. By saying some local municipalities within the District,

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
33.2. What interventions are in place to ensure that this basic service is provided to communities? 33.3. Have the District Municipality highlighted these capacity challenges to the relevant authorities and what are their responses? 33.4. What could be reasons for non- spending and what are corrective measures put in place to curb recurrence in future?		(i) a clear identification of the municipal service for which the municipality intends to consider an external mechanism” It is only after the said assessment has been done that the District would know which local municipality does not have the required capacity. 3.2 NDM is implementing Infrastructure Investment Projects on behalf of Local Municipalities as part of infrastructure development, and for purposes of eradicating service delivery backlogs across all six Local Municipalities. 33.3 No, the assessment has not been done and NDM has to be guided by the recommendations of a feasibility study regarding the capacity challenges, and as such these challenges have not been legislatively highlighted. 33.4 The re-advertisement of seven big projects because of the local content finding, which placed the department on a back foot performance (expenditure) wise. From a project management side, an acceleration plan was put in place and monitored to ensure that the department finished the financial year with acceptable performance in terms of expenditure (which was 74%), and thus the overall performance of the Municipality. Bid committees have since been trained by the DTI on local content, hence the finding has not re-occurred.	you mean there are those which have capacity and those which do not. Your response in contrary says you have not done any assessment. Whose statement is this: ‘However, some municipalities in within the District do not have capacity to perform such function?) Response Accepted Response Accepted
Page 79 34. Why the inspection done were only mainly about AEL	Social services	34. Twenty one (21) Compliance Inspections where planned and thirty (30) were conducted during the 2018/19 FY of which most are AEL Pre- Licensing. The main reason is insufficient staffing in	Where are those copies of appointment letters)

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Pre-licencing instead of performing enforcement?		the Pollution Control Unit, since the first Environmental Compliance Officer was only appointed in January 2019 and the second one in December 2019 as per attached copies of appointment letters.	
35. Where is Annexure A on page 111?	Finance services	35. 2018/2019 Annual Performance report was submitted separately attachment on the Unaudited Annual Report. It is now incorporated in the 2018/2019 Audited Annual Report (Attached hereto) on Chapter 3, Component J.	
Page 143 36. Which part of the report does Appendix D relate to and if this appendix is part of Annual report. Can we be provided with POE for the 1st Quarter of Ward committee meeting's minutes of Thembisile Hani ward 18 and ward 4, the 2 nd Quarter for Dr JS Moroka Ward 13 and ward 2?	Corporate services	36. At our level we do not have the locals ward committee minutes as they reside with the municipality concerned, our role is to coordinate and report during our outreaches, and the District Report is based on the information received from the locals. There is no POE submitted by the locals.	
Page 35 37. The picture of General Manager: Planning and Economic Development is depicted without his functions like those of other	Corporate services	37. It's an oversight the AR will be corrected in future.	See previous comments on oversight

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
General Managers. What are the reasons for this?			
Page 39 District Municipal Public Accounts Forum 38.1 How was this structure established without Terms of Reference? 38.2 How far is the process of the finalisation of the Terms of reference for the District Municipal Public Accounts Forum?	CORPORATE SERVICES	38.1. District MPAC was established based on the NAMIPAC TOR'S. 38.2. the development of the Terms of Reference is still underway and at 80%. The following activities still need to be undertaken: • Benchmarking with other Municipalities • Soliciting Legal Opinion (To establish the document's legal compliance.) • Soliciting inputs from stakeholders such as SALGA, National Treasury and COGTA • Presenting proposed Terms of Reference to constituent municipalities for inputs	
Page 39 39. On which date was the Provincial launch of the NAMIPAC hosted by NDM?	CORPORATE SERVICES	39. 23 January 2019	
Page 39 40. How many times did the Premier intergovernmental Co-ordination Forum meet?	Social services	40. The PCF sat 3 times in the year under review	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 26 41. The report states that the Nkangala Municipal Council resolved to have 10 sittings in the 2018/19 Financial Year 41.1. Did council managed to have all 10 sittings as resolved? 41.2. Did all councillors managed to honour council meetings as arranged? If there were councillors who failed to honour council meetings and apply leave of absence as required what were actions taken against them?	Corporate services	41.1 Yes, all Council siting as per the Year Planner were convened and attended. 41.2 Yes, Councillors honoured all meetings and in case of absence, applications for leave were forwarded and approved by Council	
Page 27 42. The report states that NDM council established six (6) committees to assist the Executive Mayor in discharging her duties.	Corporate services		Delegation should be in writing. Can the powers delegated be shared?)

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
42.1 Were those committees able to discharge their responsibilities? 42.2. Did the Executive Mayor delegate any powers to those committees or their Chairpersons? If NOT, what are the reasons and how does the Executive Mayor able to hold them accountable if no powers are delegated to them?		42.1 Yes, all Section 80 Committees as established discharged their responsibilities as per the Year Calendar for Committee sittings. 42.2 Yes, Chairpersons of Committees are delegated to lead the Committees and all matters discussed are forwarded for consideration by the Mayoral Committees. All the Chairperson as MMC's hold study groups with the Executive Mayor during the Mayoral Committee and discussions of items from Committees are discussed and they report to the Executive Mayor in respect of their respective directorate/ departmental responsibilities.	
Page 29 43. Council appointed the Audit and the Risk Committees to provide independent advice to council, executive and administration 43.1. How many recommendations were given by these committees in 2018/19 Financial Year? 43.2. How many of those recommendations were not	Internal Audit Risk	12 Recommendations were made by Audit and Performance Committee and only one was not implemented the recommendations on signing of performance contracts one official from Social Services did not sign performance contract Risk Management Committee: 43.1 The Committee issued 35 Recommendations 43.2 All recommendation were implemented	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
implemented and what were the reasons?			
43.3. If there were recommendations not implemented, which departments were responsible and what actions were taken against the officials in those departments?	Internal Audit Risk	43.3 The two (02) officials who did not sign are subjected to DC Processes.	
Page 53 PUBLIC SATISFACTION ON MUNICIPAL SERVICES 44. The report states interesting figures on public satisfaction survey with regard to communication at 38.6%, road construction and maintenance at 42% and biodiversity at 24.2%. 44.1. Who conducted the survey and how? 44.2 Does Executive and Management agree with these findings? If YES what	PED	44.1 The District appointed Fast Moving Trading to undertake the research. The methodology they used includes primary research- field work, sampling, execution questionnaire and generation of results. 44.2 Yes, the District accepted the report, and agreed to improve on areas where weakness been identified. The contributing factors are as follow: Roads, most of the local roads	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
could be the contributing factors to this low scores? 44.3 Does the municipality have adequate resources (Financial and Human Capital) and strategies to improve the situation? If YES, outline them.		and internal streets are gravel, they require paving or tarring. Biodiversity, it is affected by intensive mining, coal powered stations and industries which negatively affect the environment. 44.3 The municipality has a budget to address issues of roads and storm water, however the budget is limited, and it will take long to eradicate the backlogs.	44.3. Based on this reality what interventions has the Executive sought to address this challenge? And how successful are the interventions if any?
Page 37 45. Municipal Managers, Mayors and Speakers Forums. 45.1. How many meetings were scheduled for these forums in 2018/19 Financial Year? 45.2. Did all the meetings sit as scheduled, and if NOT, why? 45.3. Did all Municipal Managers, Executive Mayors and Speakers attend their respective meetings? If NOT,	Corporate services	45.1 Four (4) meetings , 1 per quarter per forum 45.2 MIM FORUM –all meetings were convened as planned Mayors Forum– Only 3 were held in the year under review Speakers forum– 4 meeting , one per quarter and all meetings were convened 45.3 All speakers attended, except VKLM who missed 3 meetings of the Speakers Forum due to the political instabilities at the municipality by then.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
who were those Municipal Managers, Executive Mayors and Speakers who fail to attend and their reasons?			
45.4. What challenges did these forums meet in executing their mandates and how were they resolved?	Corporate Services	45.4 MM's Forum – delegation of junior officials without decision making powers. Municipalities were instructed not to send Juniors to the MMs Forum. Speakers – no challenge except the absence of VKLM. After political instabilities were resolved the Speaker is now attending. Mayors forum was postponed indefinitely Follow-up Question a) There is no indication of how the problem of attendance would be addressed moving forward. Can it be clarified?	(What are the reasons hence this is a statutory structure?)
Page 37 46. Finance Forum It is common knowledge that some of the local municipalities in the District are not performing well in terms of issues of Financial Management as espoused by Auditor-General's reports 46.1 What assistance did this forum give to each of the affected local municipalities	Finance	46.1 The Forum is used to share best practices and shares advises on GRAP, Audit and AFS preparations. In addition there	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
to ensure they improve their status? 46.2. Did the assistance bear any fruits? If NOT why? And, what interventions are needed if any?		is a Municipal Account capacitating the Local Municipalities as and when required on an ongoing basis. 46.2 The Local Municipalities do not implement recommendations of the Forum. The District will appoint a team of Service provider assisted by District Officials to train the Local Municipalities.	46.2 Recommendation: The Matter to should be raised at Executive Mayors and Speakers' respectively
Page 41 47. Municipal Website, Can you clarify the sentence under this item?	ICT	47. There was no proper introduction of the section, however the sections outlines documents that should be published in the municipal website in terms of Section 75 of the MFMA.	
Page 42 48. Mayoral Outreach Meetings During the IDP/Budget Indaba in April 2019, the Executive Mayor decried failure by some of the Sector Departments to take part in Mayoral Outreach meetings. Council subsequently resolved that the matter be raised with COGTA as the department responsible to	PED AND PUBLIC PARTICIPATION		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
ensure attendance of Sector Departments to these meetings. Furthermore council resolved that Oversight visits be paid to all Sector Departments Projects implemented in the District where the members of the Mayoral Committee and MPAC should be involved.			
48.1 How far was the council resolution relating to non-attendance of Sector Departments implemented? 48.2 Who were those Sector Departments affected? 48.3 How did COGTA resolve the matter? 48.4 How far was the council resolution with regard to Oversight visits implemented and what were the findings?	Corporate services AND PED	48.1 The matter was referred to COGTA representative during the IDP/PMS forum and they undertook to engage with sector departments. There has been visible improvement of attendance of Sector Departments in the Mayoral Outreach. 48.2 Department of Economic Development and Tourism, Cooperative Governance and Traditional Affairs, Department of Culture, Sport and Recreation, Department of Social Development, Department of Public Works Roads and Transport and DMR. 48.3 A commitment was made by COGTA to address the matter and revert to the Municipality. 48.4 The oversights were not scheduled as planned.	What were the reasons?

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
48.5 How does the District address the Key service delivery issues emanating from outreach meetings as reported on page 43 of the report? 48.6 What is the budget breakdown allocated to each of these 6 (six) Key Service Delivery issues in the 2019/2020 Financial Year?		48.5 Issues that are within the District competence are addressed during annual Strategic Lekgotla, as well as the monitoring reports that submitted to council quarterly. Issues that affect sector departments are reported to the sector departments concerned and the said sector department is expected to present and provide progress during quarterly IDP/PMS forum. 48.6 For creation of sustainable jobs the municipality has R 6.5 Million for learnerships and have R11 Million for support of SMMEs and cooperatives.	
Page 46 49 Risk Management Low grading of the municipality has been a grave concern to both council and labour. The report indicates that you have achieved on "follow-up on progress on the finalisation of the grading process and implemented the graded jobs as per the job evaluation report. 49.1 When was the follow-up on the finalisation of the	Risk Corporate Services	49.1 The grading of the Municipality is a competency of the SALGBC and outside the control of the municipality.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
grading process done and what were the results? 49.2 What job evaluation report is referred to here and when will it be done? 49.3 How many jobs were affected by the grading and what is the financial implication (costs) if any?		49.2 The Job Evaluation is aimed at standardising the job descriptions and ensure that all positions are correctly on the correct post level, in terms of the TASK Job Evaluation System. Council approved the implementation of the TASK Grading system, however, its implementation is also dependent on the approval of the Wage Curve Collective Agreement which is a central bargain issue, which will inform the movement of position financially. 49.3 All jobs in the district were graded.	
49.4 What effect did the two processes (grading and job evaluation) have on staff morale and minimising staff turnover? Explain in detail. With regard to Public and Private institutions working in silos, the report indicates that Quarterly LED Forums were achieved. 49.5. Who were the private institutions who attended the LED Forums?	Corporate services PED	49.4 Both the processes have an effect on staff morale, as there are legitimate expectations of improvement of salaries of officials. The Municipality 9Administration) is currently undertaking a post rationalisation process resulting from the Job Evaluation Process, which report will be re-submitted for Council consideration in the current financial year. 49.5 Middelburg chamber of commerce industry, Local SMMEs and cooperatives also participate in the LED Forum, however attendance of big business is not consistent.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
49.6 Were the Mining houses also attending the LED Forums? If YES, what were the discussions and commitments around the SLPs and CSIs and the implementation thereof? The report shows that augmentation of natural resources (Moloto Bulk Water Supply) is achieved.	Technical services	49.6 Some Mining companies do send representatives to attend the LED forum, however these are junior officials who have no authority to make commitments in relation to SLPs and CSI, they are only responsible for implementing what the mines have already committed to.	
49.7 How was this done?		49.7 NDM's scope was to conduct designs for the Moloto Borehole Water Scheme, which was informed by a geo-hydrology studies that were conducted by Specialists contracted by the Consulting Engineers. These studies showed that there was up to Mega litres of underground water that could be sourced, which would augment the current water shortfall in Thembisile Hani Local Municipality (THLM). The reports were then handed over to THLM who continued with implementation (construction).	
49.8 How much was spent if any? 49.9 Did this ameliorate water challenges faced by the affected communities? If NOT, what further strategies are needed/put in place?		49.8 R865 744.00 was spent on the design work. 49.9 No, the NDM scope was limited to design, which does not ameliorate the water challenges. The Local Municipality will do the physical works which upon completion will surely ameliorate the water challenges.	(Did the locals do their part as envisaged?)

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
On Investigation for possible funding in mitigating limited Financial resources the report indicates that same is also achieved.		49.10 The achievement is based on the action taken by NDM regarding the request for possible funding in mitigating the limited financial resources.	
49.11 What are the revenue streams identified in the investigation report if any?		49.11 The terms of reference of the Specialist were not to identify revenue streams, but to investigate if there is sufficient underground water that can be sourced. With reference to the revenue streams, the Local Municipality will have to bill the users in line with their tariffs for the water that will be consumed, and put in place revenue collection methods accordingly.	
Page 51 50.SCM 50.1 What was the targeted reduction of deviations set for 2018/19 Financial Year? If NO target was set, what were the reasons?	finance	50.1 There was no target served, however the intention was to reduce the deviations and limit them to emergency deviations and where it is impossible to follow SCM Processes.	If measurements/targets are not set then how do measure progress or lack thereof?)
50.2 What were the reasons for regression in attendance		50.2 Attendance regression is due to other Council commitments and officials on leave.	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
to meetings by Bid Committees? 50.3 What actions were taken against those bid committee members who contributed to the regression if any? 50.4 What regression did this regression have on service delivery? 50.5 Was attendance to Bid Committee meetings included in the performance agreements of respective officials to ensure accountability? If NOT, why? 50.6 Did all Bid Committee members and the Broader Management attend the trainings on SCM organised for them? If NOT, what were the reasons and what corrective actions were taken against those who did not attend?		Follow-up Question a) If the work of Bid-Committee is very important, why is it not given equal priority with other council matters? Why didn't you manage leave to an extent that it does not affect the work of this committee? 50.3 The said officials were called in to respond to the performance committee and as a result lower performance scores were given to them. 50.4 None, because committees were always forming a quorum and sat as planned. 50.5 Yes it was included 50.6 No, only the Committee Members and SCM Practitioner were trained.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 63 51 Roads and Storm Water 51.1 Since 2015/2016 to date the District never graded or maintained any gravel road. Is grading of gravel roads not part of the District municipality's strategies? If YES, how are the communities who use gravel roads assisted where their roads are impassable?	Technical services	51.1 The grading of gravel roads is not part of NDM's strategies, as the maintenance competency lies with the Local Municipalities. The District's role is to surface (construct) the roads in line with the project submissions that are submitted and prioritised accordingly.	
51.2 Was developing designs the only target for 2018/19 with regard to roads and storm water? 51.3 How could it take you the whole year to develop designs? Why was the projects not implemented?	Technical services	51.2 No, the initial target was not designs only, but designs and construction. 51.3 It did not take the whole year and developing designs does not take the entire year to develop designs, and the reasonable period is 3 – 5 months. The only time where designs will take over 6 months is when there are Environmental Authorizations required, notwithstanding a period of a year minimum for Water Use License authorization. Limited budget led to the District Municipality only conducting designs, as the budget required for construction was not sufficient.	
Page 67 Planning Development	PED		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
52. The report indicates that there are 28 application that are pending at the end of the Financial Year 2018/19. What were the reasons for that? 53. There are 14 projects that were at 0% spending while 6 were still under 50% spending. 53.1 What were the reasons for situation? 53.2 What was the total budget allocated to Economic Development Services in the 2018/19 Financial Year and how much was not spent? 53.3 Since the municipality adopted Zero budgeting approach, what motivation was put forward by the responsible department that convinced the Finance Department to allocate this amount to the department?		52. The applications could not be finalised due to the outstanding information relating to documents that are required from the applicant in order for the application to be finalised. 53.1 We do not have projects that were at 0% 53.2 The budget for 2018/19 for Planning and Economic Development was R 35.1 Million and expenditure was R 24.1 Million, therefore R 11 Million was not spent 53.3 The selection process of beneficiaries was underway at the close of the financial year, as such the budget was rolled-over to 2019/20. 53.4 The non-expenditure affected only the programme on supply of tools and equipment to SMMEs, however the process	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
53.4 How did this non-spending affect service delivery? 53.5 How much was allocated to the Economic Development Services for 2019/2020 considering this non-spending? 53.6 What mechanisms are in place to ensure spending moving forward?		has since been concluded. 59 SMMEs are benefiting from this programme. 53.5 The budget for 2019/20 is R 28.5 Million 53.6 The district managed to procure service providers on three year panel, and secondly, calls for proposals will be done a year prior to selection of beneficiaries in order to eliminate delays.	
Page 68 54. Local Economic Development (Including Tourism and Market Places) The Report explicitly explains the goals of the LED and the fact that NDM is the main economic hub in the Mpumalanga Province. 54.1 What was the municipality's targeted number of job creation in	PED	54.1 The target for job creation in terms of the EPWP was 510 job opportunities, however additional jobs can be created in terms of other programmes (Tools and Equipment).	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
relation to the National target? 54.2 Did the municipality achieve that target? If NOT why?		54.2 No, during 2018/19 Financial Year, there was slow implementation of capital projects due to issues of local content and production, which affected the work opportunities that were planned.	
54.3 The figures of EPWP Projects and Jobs created through EPWP projects show a decline. What could be the cause of this?		54.3 During 2018/19 Financial Year there was slow implementation of capital projects due to issues of local content and production, which affected the work opportunities, however such issues on local content have since been addressed.	
54.4 From the municipality's internal sources for example infrastructure development projects and other services how many jobs were created in the 2018/19 Financial Year?		54.4 The District created 185 job opportunities, which includes all the projects that municipality implemented.	
54.5. Since Women and Youth are the most critically affected sectors in terms of unemployment, what is the total jobs created for youth and women respectively in the 2018/19 Financial Year?		54.5 The EPWP programme, especially the learner-ships focuses mainly on youth and women.	The question needed numbers?

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
54.6 With regard to NEDA what was the milestone schedule for 2018/19 and how far was it realised? In cases where targets were not met, what could have been the reasons?		54.6 The milestones for NEDA in the Financial year was to develop the Financial model and to conduct due diligence into the revenue drivers namely, Property Development and development of a Fly-Ash beneficiation incubator, both milestones have been achieved.	
Page 73 55 Community and Social Services 55.1. How many job opportunities were created for people with disabilities in the 2018/19 Financial Year?	Social services	55.1 Five people with disability have received projects from NDM. Two have benefited from the seven days quotations (delivery of refrigerator and delivery of soft drinks, and decoration for SODA), two appointed for three years Contract through DEAFSA for Sign Language Interpreter and Catering Service, One benefited from SMEs (small and medium-sized enterprises) and has received backing machines. 55.2 Intervention was done together with department of Human Settlement in 2019, where the NDM together with all the LMs and the Huma Settlement held a Round Table Discussion on the matter. Together with the Local Disability Forums we have been regularly monitoring the waiting list on the database per LM in order to priorities people with disabilities.	
55.2 One of the challenges raised by people with disabilities was with regard to Social housing. How did the Executive Committee assist to resolve these issues as raised during the IDP/Budget indaba in April 2019? 55.3 What is the HIV/AIDS statistics in the District? How	Social services		“ The National Antinatal Sentinel HIV Key Findings, South Africa (July

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
effective are the programmes run within the District in decreasing the HIV/AIDs statistics?		55.3 There was an increase in the HIV Prevalence between 2012 and 2015, however it increased by 6.3 % in 2017 from 25.1% to 31.4%.	2019)" (How effective are the programmes run within the District in decreasing the HIV/AIDs statistics?)
55.4. Unemployment among the youth is said to be high in the South Africa. The Youth Development Report however does not say much about Youth Unemployment in the District including initiatives undertaken to address this challenge. What could be the reason for this?		55.4 The Youth Unit's Integrated Youth Development Strategy of 2015 was biasedly geared towards addressing HIV/AIDS, Teenage Pregnancy and Drugs and Substance abuse, thus the programs of the Unit spoke largely to that effect. Youth Unemployment and skills development will be focused upon during the NDM Integrated Youth Development Strategy Reviewal during 2020-21 FY Budget.	
55.5 What were the programmes initiated in the 2018/19 focusing on youth employment and how successful were they?		55.5 There were no programs developed for this purpose as far as the 2018/19 institutional plan is concerned, however, the Youth Unit has taken an initiative to include such initiative as Enterprise and Supplier Development in partnership with external business stakeholders for youth owned enterprises on its 2020/21 Budgeting Cycle.	
55.6 The report indicates that youth is not benefitting from mineral wealth within the District. What are the reasons for that? What initiatives have been taken to address this?		55.6. The Youth Unit hosted youth mining summit which identified opportunities in the mining sector that can be availed to youth owned enterprises. The Youth unit has since proposed an Intergraded Enterprise and supplier development programme of youth owned enterprises with the purpose of building the operational	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
55.7 What are the milestones agreed upon in the 18th June 2019 Skills Development Summit?		capacity and financial viability of the youth owned enterprises so that they can be able to create employment in the District. 55.7. The Summit targeted youth in business to address the lack the necessary entrepreneurial skills and the out of school unskilled youth in an attempt to address the skills gap and access to business opportunities for youth. The Summit received inputs from Exxaro, NYDA, KPMG, NDM to which the delegates interfaced with, with a view of contributing towards the reviewal of the Integrated Youth Development Strategy of Nkangala District in 2020/21 Municipality and mapping out actions for implementation. Issues raised in the summit include but not limited to; • The lack of economic integration between the six Local Municipalities. • Insufficient business support and lack of funding from the private sector for youth owned SMME's. • The need to establish business incubation centres across the district to improve the sustainability, profitability and capacity of youth owned SMME's. • The need for deliberate artisanal skills programs for the unskilled youth for purposes of the youth to be able to participate in the labour economy of the district. • The need to intensify the matric-rewrite program by the NYDA to ensure that more young people complete their matric. • The need for a deliberate transformation agenda to benefit youth owned SMME's	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
55.8 How many young people attended the Summit and what was the breakdown in terms of Local Municipalities within the District? 55.9 What was the total budget for Youth Development in the 2018/19 Financial Year and how much was spent?		• There should be clear set asides and ring-fenced employment and business opportunities for local youth. • The mining houses must develop a clear stakeholder management strategy to ensure that there is a healthy and beneficial relationship between them and the youth strata in the district. • Share that business and skills development opportunities through the youth offices across the district. • That the private sector, particularly the mining houses provide driver's license training program to as part of the CSI. • That the mining houses are transparent with their SLP and CSI projects for purposes of accountability. 55.8 The summit was attended by 120 youth across the district to which the breakdown was 20 delegates per Local Municipality. 55.9 The 2018/19 budget was R172, 421 to which R153, 742 was spent on the event.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
56. Disaster Incidents (No page number) The report states one incident of community protest in Dr JS Moroka Local Municipality.	Corporate services		
56.1 Was this the only community protest that was recorded in the District in 2018/19 Financial Year?		56.1 No, there were other protest at Emakhazeni LM, Thembisile Hani LM, Steve Tshwete LM and Emalahleni LM.	
56.2 How were the reasons for the protest addressed to ensure that the protests do not recur?		56.2 Most of the protests were around disruption of construction sites, thus both government and the private sector, should engage with affected communities on project implementation. With regard to Dr. JS Moroka LM, this matter requires political intervention.	
56.3 During the MPAC site visits it was reported that in some instances community members disrupt some Municipal Programmes demanding that they be given tenders to an extend that the affected departments are contemplating doing away with Project Site Inspections and establishment of Project		56.3 The disruption of projects by communities is a national crisis beyond our control as tenders cannot be awarded to all community members However the municipality is engaging with affected communities and also advise on subcontracting	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Steering Committees. What programmes to you have the address issues of this nature?			
Page... 57.Information and Communication Technology (ICT)Services 57.1 Who comprises the ICT Steering Committee and what are functions of this committee? 57.2 The reports states that laptops are provided to both management and councillors with Tablets. Since there has been a serious concern from councillors about their tablets what measures have you put in place to address their challenges? 57.3 What was your target turn-around time to attend to ICT related breakdowns in 2018/19.	ICT	57.1 Is comprised of the General Managers, Unit Heads and it is chaired by the Municipal Manager. The functions are to oversee the implementation of the Municipal Governance ICT Framework. 57.2 Council resolved not to extend the Vodacom Contract and the Municipality has started a process of procuring new tools of trade for Councils. 57.3 Major problems were resolved within 2 days and minor problems are resolved within a reasonable period of not more than an Hour.	How long will this take you?)

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Have you achieved that target in the 2018/19 Financial Year?	ICT	Target Achieved	
Page.... 58 Trade and Investment Promotion within the District 58.1 For which Financial Years are the R330 million investment projects? 58.2 How many SMMEs were assisted with each of the 7 services listed in the report?	PED	58.1 The investment Pipeline was generated during the 2018/19 Financial year, however facilitation work will continue and overlap into the following financial years, because some of these are long-term projects and cannot be implemented in one Financial year. 58.2 At least 13 local SMMEs have been assisted to develop viable projects that have been included in the investment pipeline. Over and above that, other services include hosting of workshops and referring SMMEs to DFIs and other relevant institutions for further assistance.	
Page.... 59. Skills Development and Training 59.1 What are the correct figures on the Skills Development Expenditure for 2018/2019 since the figures for the Actual does not correspond with the	Corporate services	59.1 The correct figure for the 18/19 Expenditure is R 2 158 084 and it is the same amount compared with the expenditure on the vote.	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
total of R 2 158 084 in the report?			
Page 152-227 60 Performance of them External Service Providers There are service providers which scored less than 3 in terms of the scale provided in the report.	Legal Services	60.1 The Service Providers that were not performing above a score of three (03) were put on terms by the respective end user departments to improve on their performance, failing which their services would be terminated. As a result thereof all Service Providers improved and managed to produce satisfactorily performance. Otherwise, had there been Service Providers who did not improve such would have been terminated. 60.2 The SCM Policy allows for variation orders of not more than 20% of the contractual project costs, such can be funded from the approved budget to cover the shortfall. Shortfalls can emanate from unforeseen circumstances during project implementation. 60.3 All Service Providers are procured in line with the provisions of the Local Government: Municipal Finance Management Act, read with the Supply Chain Regulations,	When was this done since the report states under-performance?) (Did the Bid Committees evaluate the functionality part of those service providers to ensure they have capacity to perform the tasks procured for before they were
60.1 What actions have you taken against each of the service providers?			
60.2 Who funded the shortfall for projects which were completed outside the allocated budget and what was the total expenditure on that shortfall if any?			
60.3 How were these service providers which performed poorly procured?			

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 61 PMS 46 officials qualified for Performance Bonuses in 2018/19 evaluations 61.1 What is the total R-value of the performance bonuses? 61.2 Was the Oversight Report on the 2017/18 Annual Report and the Auditor-General considered when conducting the performance evaluations? If NO, why? 61.3 The report suggests that the Municipal Manager followed a particular process to evaluate performance of municipal officials. However that process is not outlined in the report. What could be	PMS	Municipal Supply Chain Policy as well as Treasury Circulars; i.e. through quotation and the tender processes. 61.1 R1 125, 135.63 (after tax) was paid for the performance bonus for 2017/2018 financial year not for 2018/2019 financial year. NB: Performance bonus of the prior years is only included in the year that follows and accounted as such) The performance assessment for 2017/2018 were conducted during the year under review. The 2018/2019 performance assessment will be conducted during 2019/2020 after the 2018/2019 annual report has been table to council as required by 2001 Regulations 61.2 Yes, the 2017/18 Oversight report, Annual Report and the Auditor-General were considered when conducting the performance evaluations. The assessment were conducted on March 2019 to June 2019 for 2017/18 financial year 61.3 The process on evaluation cannot be outlined on the report due to the fact that the purpose of the annual report is to	appointed? NB: Government in general is worried by appointment of less capacitated service providers which results in service delivery affected and incurring unnecessary expenditures thereby the principles of efficiency effectiveness and economical provision of services being missed)

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
the reason for that? Can the process be outlined as suggested by the report? 61.4 Were all municipal officials evaluated? If NOT, what were the reasons? What actions have been taken against those officials who did not comply with the municipality's PMS policy? (NB: Provide detail in each action taken if any.)		provide a report on performance against the budget of the Municipality or Municipal entity for the financial year. The evaluation processes have been covered on the PMS policy in terms of section 38 of Municipal System Act. See attached the PMS Policy. 61.4 Not all Municipal Officials were assessed. Eleven (11) Officials were not assessed for various reasons ranging from unavailability during the assessment period to non-attendance of scheduled assessments. All these Officials were subjected to a Consequent Management process and written warnings were issued against all of them.	

MPAC QUESTIONS TO EXECUTIVE AND MANAGEMENT BASED ON PROJECT SITE VISITS

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
1. Yellow Machine 1.1 What did the NDM do to ensure that yellow machine as supplied to the local municipalities are put in use to avoid them remaining unused for such a long time and finally amounting becoming fruitless and wasteful expenditure?	TECHNICAL SERVICES 1.1 NDM's responsibility or mandate hereto was to supply, deliver and register the yellow plant/fleet as per request that was submitted by the Local Municipalities. This is done through the understanding that the Local Municipalities will immediately schedule or put them in use for their operations and maintenance, for we do formally write to them to notify them of the completion of the delivery and registration, immediately once this is done. We are thus of the view that this does not constitute fruitless and wasteful expenditure on the side of NDM, but we will be taking this matter up with Local Municipalities at our quarterly Technical Services Forums.	(NB: The NDM will not escape any accusation from the members of the community if the District reports show that certain services were provided and only to find that it did not benefit the members of the community. The NDM therefore has the responsibility to follow its money and check whether it yield desired impact otherwise projects will result in white elephants)
1.2 How does the NDM satisfy itself before allocating funds to projects requested by local municipalities that indeed those projects are priority needs of the community to avoid a situation where they become white elephants?	1.2 All funds of projects are allocated post-vigorous IDP and Budget processes. These projects are contained in the IDP's of both NDM and Local Municipalities.	1.2 Based on this response was the District convinced that Steve Tshwete Local Municipality needed the yellow machine and they were ready to put them to use when delivered?(NB: See some of the reasons why the yellow machines were not put in use)
2. Business Creation and Expansion SMIME(Youth) NDM 2.1 Was this project part of the municipality's support strategy to the youth?	PED AND TECHNICAL SERVICES 2.1 Yes, was aimed at empowering the youth by developing car washes and Steve Tshwete Local	
2.2. How many beneficiaries were targeted with this project?		2.2. (The question is: What was the target?. This will help to assess whether the target was met or

2.3. Were the beneficiaries provided with skills to manage the project including its marketing? 2.4. Who is the dedicated official/s to work with beneficiaries on this project?	2.2 The project in Steve Tshwete Local Municipality resulted in the employment of six youth employed three females and three males 2.3 As the District our scope of work was to build the facility for the local Municipality, and the municipality will deal with identification and handing over of the project to the identified beneficiaries, including capacity building. 2.4 The local Economic Development department in Steve Tshwete Local Municipality is responsible for managing beneficiaries	not and what are the reasons if the target was not met) Was that done?) (how do you communicate with them?)
2.5. When will the project be handed over to the beneficiaries and title deeds given to them as requested? 2.6. How much was spend on the project?	PED 2.5 The project was handed over to the Steve Tshwete Local Municipality in July 2019. The property belongs to Steve Tshwete Local Municipality, and the Municipality will dispose the property according to their internal processes. 2.6 R 1 317 062.	(Breakdown of the costs involved need to be made based on the size of the project; Further investigation
3. Installation of Bulk Infrastructure at Gugulethu 3.1 What assistance is the NDM providing to the local municipality to ensure that the envisaged township establishment is realised and the infrastructure already put is not fruitless?	TECHNICAL SERVICES 3.1 Bulk services are installed after the following processes are completed township establishment application , paging and surveying as well as opening of a township register	

3.2 How long is it envisaged to take the local municipality to finalise the township establishment process?	3.2 The Township establishment has been finalised at Gugulethu , the municipality is responsible for allocation/ building of RDP houses on the stands	
4. Upgrading of WWTW at Thubelihle 4.1 Why did the municipality allow connection of electric wire through the window that exposes people to serious risks? 4.2 What programmes does the municipality have to ensure that small businesses are sub-contracted? 4.3 What is the total cost of the project and how much was spent on sub-contractors? 4.4 Why did the municipality dictate to the sub-contractor the places to purchase material that finally led to him withdrawing from the project?	TECHNICAL SERVICES 4.1 The cable was found prior to construction, which was tested by the Contractor and was found not to be live, and was left as is and it does not pose any danger. 4.2 NDM sets aside 30% of all its infrastructure projects and ensures that sub-contractor(s) in the local area and/ or ward benefit from the 30% by making sure the contractor conducts the appointments accordingly. This 30% is also inclusive of the material that is procured locally, and the plant/ machinery that is sourced from local owners by the main contractor. 4.3 R 23 001 390.00 is the total project cost, and R 125 000.00 was spent on sub-contractor prior to their withdrawal from the project. 4.4 There was nothing dictated to the sub-contractor by Nkangala District Municipality. The sub-contractor was the one informing the project team that the material is only available overseas, which was not the case as the main contractor was able to source it locally (in South Africa), and	Was the 30% target met in all the projects? If NOT what were the reasons?

	when such advise was given to him, he decided to withdraw from the project.	
5. Upgrading of Klarinet Ext 2,3 and Pne Ridge Sewer 5.1 What processes are followed by NDM when implementing the projects to ensure all stakeholders are taken on board? 5.2 What are the reasons why Project Steering Committees were not established where projects are implemented? 5.3 What safety mechanisms are put in place to ensure that people are not exposed to environmental hazards and other risks during implementation of projects?	TECHNICAL SERVICES 5.1 Social Facilitators are part of the project team, and their key responsibility is to promote and maintain a spirit of mutual trust, understanding and co-operation between all role players and stakeholders in respect of the project. Furthermore, they: • Mobilize communities around programs and projects for their support and participation, • Empower community members with information to actively participate and take ownership of their development, and • Create an enabling environment for effective implementation of development initiatives or projects at community level. 5.2 This was unfortunate oversight on the part of Technical Services, as PSC's ore to be in place for all projects under implementation, for ease of project stakeholder engagement. 5.3 Part of the terms of reference of the Consulting Engineers during construction is to act as an Agent of the Employer in terms of Occupational Health and Safety Construction Regulations, Occupational Health and Safety Act. These services are usually sub-consulted to OHS	(The response is contrary to the observation and findings of MPAC, eg. Dust not suppressed, pits not cordoned off and employees not supplied with PPEs. See pictures. How do you reconcile this? Nothing is said about actions

5.4 Do all service providers' safety files checked by the municipality and who is responsible to do that? 5.5 How does the municipality deal with service providers who do not comply with health and safety regulations, including provision of protective clothing to their employees?	Specialists by Consulting Engineers, who then come to site on a regular basis to ensure that the Contractors Health and Safety file is up to date, and that the Contractors Safety Officer is complying with the above-mentioned act. Furthermore is what we call tool box talks, which are conducted two odd days in a week, prior to commencement of work on site. Different topics OHS topics are covered, and workers are schooled on the do's and don'ts in that regard. One can never downplay the importance of safety on site. 5.4 Yes they are checked, and the responsibility lies with the Consulting Engineer appointed by the District Municipality, who Acts as an Agent of the District Municipality. 5.5 Any service provider or employee (labour) appointed by the service provider that does not conform to OHS regulations is not allowed to access site by the Health and safety Officer. The onus of conforming to safety regulations lies with the worker, as the principle of no work no pay due to negligence will apply. All workers are issued with PPE by the Contractor, thus they must wear PPE at all times.	taken against service providers who do not comply to OHS regulations)
6. Upgrading of Pap and Vleis Outfall Sewer 6.1 Why did the municipality built manholes in the yards of community members?	TECHNICAL SERVICES 6.1 The sewer line and manholes were correctly placed in the servitude where the survey was conducted, however some residents decided to extend their boundaries of their stands without following due processes.	In that instant what did the Municipality as a responsible institution do?

6.2 What risks does this manholes have to the people in those yard and how is the municipality going to address them if any?	6.2 The risk is minimal as there is no access to the manholes (internally) provided to the residents, and the residents have given assurance that access to the yards will be given to the Maintenance team of Emalahleni LM as and when required. The municipality maintain servitudes to ensure access to the stands.	
6.3 How is the municipality ensuring that Main Contractors pay invoices to the sub- contractors to avoid a situation where small businesses are kept out of business?	Technical 6.3 Subcontracting agreements exist between the main and the subcontractor The municipality encourages main contractors to pay subcontractors on time this stems In the event that there are payment challenges we give the main contractor and sub-contractor the option of direct payments to the sub-contractor from the municipality	6.3 What did the municipality do in the specific case highlighted in the report?

THE COMMITTEE RESOLVED TO RECOMMEND:

- 1. THAT** the Committee needs to have surveys done to get comments from communities and stakeholders on the work done by the Institution.

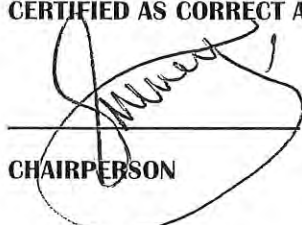
e) **Closure**

The Chairperson thanked the Councillors and requested that they prepare thoroughly for the meeting with Mayoral Committee and Management. He indicated that each Councillor would be given an opportunity to ask follow-up question in the meeting. He then declared the meeting closed.

MEETING TERMINATED AT 13H30

CERTIFIED AS CORRECT AND SIGNED BY CHAIRPERSON ON

21/02/2020


CHAIRPERSON

MINUTES



**CONTINUATION OF THE 4th (2019/2020) SPECIAL MUNICIPAL PUBLIC
ACCOUNTS COMMITTEE (MPAC) MEETING TO CONSIDER THE
2018/2019 AUDITED ANNUAL REPORT AND CONSOLIDATION OF
PROBING QUESTIONS**

31 JANUARY 2020

MINUTES OF CONTINUATION OF THE 4th (2019/2020) SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) MEETING TO CONSIDER THE 2018/2019 AUDITED ANNUAL REPORT AND CONSOLIDATION OF PROBING QUESTIONS HELD IN COMMITTEE ROOM D45, BLOCK D, FIRST FLOOR, NKANGALA DISTRICT MUNICIPALITY, 2A WALTER SISULU STREET, MIDDELBURG ON FRIDAY, 31 JANUARY 2020, AT 10:00 TO CONSIDER THE ATTACHED AGENDA AS PER THE STANDING RULES AND ORDERS AND TERMS OF REFERENCE.

Attendance Register is attached.

(a). Notice of the meeting

The Acting Corporate Services – GM, Mr MJ Nhlapho read the notice of the meeting.

b) Opening and Welcome

The Chairperson, Cllr XS Ngwenya asked all to observe a moment of silence and meditation. He thereafter declared the meeting opened. The Chairperson thanked the members of the committee, the other section 79 Chairpersons, the Audit Committee Chairperson and Treasury for coming again to the meeting and welcomed them. He further requested members to concentrate only on the two items that were left the previous day so that the meeting could finish early.

c) Applications for leave of absence

Cllr MR Nkoane, Social Services- due to attending a Memorial service
Cllr LF Khumalo: Technical Services, due to ill health

Members agreed and approved the leaves as presented

d) Declaration of Interest

None

e) Announcements

None.

f) Reports of the Municipal Manager

The members concentrated on the responses received from the Mayoral Committee and Management about the 2018/19 Unaudited Annual Report and MPAC Project Site Visits. The members then developed and consolidated questions based on the 2018/19 Audited Report.

The Chairperson requested the following to make comments and overview before the meeting could engage in its core business:

Acting Executive Mayor

The Acting Executive Mayor, Cllr Mahlobogoane thanked the Chairperson for inviting them to the meeting to come and make oral representation to the MPAC and members of public as required by the pieces of legislation and the principles of good governance. She encouraged council committees to work together so that they could take the municipality forward. She concluded by expressing her anticipation for fruitful engagements.

The Acting Municipal Manager

The Acting Municipal Manager, Ms Stander indicated that the Municipal Manager is engaged in other meeting that she would join the meeting as it progressed. She reported to the meeting that the Nkangala District Municipality attained a Clean Audit outcome which every member should be proud of because it was due to their collective efforts, cooperation and hard work. She commented the good work done by the MPAC that keeps everyone on their toes and ensured that they account.

The Auditor General

The representative from the A-G thanked the MPAC Chairperson for inviting the office of AG to come and be part of the meeting. She indicated that the A-G always encourages good governance in the municipalities and urged everyone to understand the importance of oversight. Committees. She encouraged oversight committees to investigate on whether their municipalities have operational internal controls because that is the only recipe for auditees to get Clean audits.

CoGTA

The representative from CoGTA thanked the opportunity and the invitation to be part of the meeting and indicated that the MPAC in the NDM was doing a good work. He emphasized the importance of municipalities having Oversight Committees and delegation systems as outlined in Section 59 of the Local Government System Act.

MPAC Chairperson

The MPAC Chairperson thanked the comments given and indicated that the presence of the other key stakeholders strengthens them. He encouraged the Mayoral Committee and Management to understand the MPAC as a partner that seeks to assist in good governance and accountable local government and should not be viewed as a committee to police them and only interested in looking for faults.

d) REPRESENTATION OF ORAL RESPONSES BY MAYORAL COMMITTEE AND MANAGEMENT

The Mayoral Committee and Management made oral representations on the responses to the MPAC probing questions which were followed by follow-up questions and recommendations as captured in the table below.

MPAC QUESTIONS TO EXECUTIVE AND MANAGEMENT BASED ON THE UNAUDITED ANNUAL REPORT FOR 2018/2019 FY

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 5 1. REVISED ANNUAL REPORT TEMPLATE 1.1 To which MFMA circular is this template related? 1.2 Was that circular and template adopted by council? The page numbering of the Report is not consistent. There are some pages which are not numbered, for example is numbered from page 1-101 and then from 140-229. 1.3. What are the reasons for this? 1.4 What does "Error: Bookmark not defined" in the	PMS	1.1 Circular 63 of the MFMA 1.2 Yes, The council adopted the Circular 63 format but not the reporting deadlines. The Circular 63 reporting time lines are not aligned to Section 121 of the Municipal Financial Act (MFMA). The MFMA supersede the Circular 63. The purpose of the circular is to guide the municipality on how to develop annual report and the key deadline are not align with the MFMA. Therefore, Nkangala District Municipality (NDM) adopted the format of the Circular 63 and implementing reporting deadlines as per the MFMA required. Attached is Council Resolution. NDM has been implementing MFMA dead line for the past years and Auditor General raised no issues regarding the implementation. There is no Council Resolution found on the municipal records. 1.3. It was as a result of an oversight. Follow-up Question a) Was proof reading done on the report? If yes, Why wasn't this corrected? Yes it was done by the committee 1.4. It is a format issue and it will be rectified going forward.	Technical Quality and Format of the Annual Report The MPAC noted the following: (1) That council adopted the Annual Report Format of MFMA Circular 63 on 30 July 2014 in terms of council resolution DM 33/07/2014. (2) However that the 2018/19 Annual Report does not wholly conform to the MFMA Circular 63 Report Format as some key aspects and information were not included in the Report. (3) MFMA Circular 63 (page 12) states that failure to table accurate and quality information in the Annual Report will be considered a breach of the MFMA and MSA (4) MFMA Circular 63 provides early production of the Annual report so that it can be used by MPAC to solicit comments from the members of public. This is to be used to correct and the Annual Report before finalisation of audit by the AG, and use the information

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Content part of the report mean?			during the Strategic Planning Session (5) The 2018/19 Annual Report contains some technical errors due to oversight on the part of management (6) The Report submitted to the MPAC and council were not authoritative as they were not signed by relevant authorities such as the Executive Mayor and Municipal Manager. However, the Report to the external Stakeholders were dully signed. (7) Management established a Technical Task Team to review the Annual Report and correct technical errors before the reports go out. The team is established in line with the MPAC recommendations and it comprises the following: 6.1. PMS Manager 6.2. Chief Risk Officer 6.3. Chief Audit Executive 6.4. General Manager for Corporate Services 6.5. Senior Legal Advisor The Technical Team also solicited inputs from external experts such as Communication Professor from the

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
			University of Johannesburg at no cost to the Municipality MPAC RECOMMENDATIONS (1) THAT the Annual Report Process Plan should be aligned so that the MPAC could have proper interrogation of the report and have its inputs informing the Strategic Planning Processes as outlined in MFMA Circular 63. (2) THAT the Annual Reports submitted to the MPAC should be properly signed off and be similar to the one submitted to the external stakeholders so that the MPAC work on the right report (3) THAT the Technical Review Team should ensure that the Annual Report at all material times conform to MFMA Circular 63 and is free from technical errors.
MAYOR'S FOREWORD Page 6-9 2. Mayor's foreword does not reflect the Municipality's strategic alignment to Provincial Growth and Development strategy.	Executive mayor's office	2. It was an oversight and to be corrected before it goes for adoption by Council in the next Financial. (To indicate national/provincial PGDS). Follow-up Question b) Why was the format of Mayor's Foreword not followed as indicated in circular 63?	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
What could be reason		c) Can you explain what do you mean by oversight?	Respond not Accepted All documents submitted to MPAC must be final and signed, whether soft or hardcopy
3. The ownership of Mayor's foreword is not endorsed. Could there be any reason why it was not signed off?	PMS	3. Mayor's foreword on the Annual report has been signed by the Executive Mayor. The office of MPAC requested the softcopy not hard copies to prepare for the agenda. Attached Annual Report.	
4. Circular 63 provides the Format of the Annual Report which should be adopted by municipalities with clear reporting details in each Chapter. 4.1 Was this Annual Report Format adopted by council?	PMS	4.1 Yes, The council adopted the Circular 63 format but not the reporting deadlines. The Circular 63 reporting time lines are not aligned to Section 121 of the Municipal Financial Act (MFMA). The MFMA supersedes the Circular 63. The purpose of the circular is to guide the municipality on how to develop annual report and the key deadline are not align with the MFMA. Therefore, Nkangala District Municipality (NDM) adopted the format of the Circular 63 and implementing reporting deadlines as per the MFMA required. Attached is Council Resolution. NDM has been implementing MFMA dead line for the past years and Auditor General raised no issues regarding the implementation. Follow-up Question d) Can Management highlight the deadlines that they have adopted? The MFMA reporting deadlines be submitted as POE to MPAC. Do you follow the Circular as indicated on your response? Can the Council Resolution be submitted because it wasn't attached	
4.2 Does the Mayor's Foreword contain all information relating to the topics identified by	PED	4.2 No, the Mayor's foreword did not cover the entire element applicable to Nkangala District municipality, in that it did not provide the National/Provincial PGDS). Follow-up Question	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/ COMMENTS
MFMA circular 63? IF NO what are the reasons? 4.2.1 What is the municipality's strategic alignment to the Mpumalanga Provincial and Growth and Development Strategy? 4.2.2 What corrective actions were taken to ensure that strategic objectives as stipulated in the IDP were achieved? 4.2.3 What methods were used to improve public participation and accountability in the municipality?	PMS /PED	e) Why does it not cover the entire element applicable to Nkangala District Municipality? 4.2.1 The alignment of the municipality's strategic plan with the Mpumalanga Provincial Growth and Development Strategy is captured in the NDM Vision 2030 as approved by council and will form part of the current IDP review 2020/21. 4.2.2 the eight strategic objectives in the IDP have been linked to Key Performance areas of Departments and form part of the performance agreement of General Managers and Municipal Manager. The SDBIP is used to monitor quarterly to council the implementation of the IDP and report to council and other oversight committees. Follow-up Question d) Can Management provide MPAC with proof to show that there is improvement? Submit POE 4.2.3 The Municipality conducts committee outreach forums in all six (06) municipalities and there are established IGR Forums which advocates for public participation and accountability.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
4.2.4 What corrective actions should be employed so that service delivery can be improved?		4.2.4 The Municipality developed an acceleration plan for implementation of the infrastructure investments projects. The municipality conducted a Community Satisfaction Survey and the issues raised through community survey are being implemented in the current financial year. <u>Follow-up Question</u> f) Provide an example of the acceleration plan that was achieved in time? Submit POE g) Provide the Annual procurement plan that shows all projects that were planned for the FY as requested by Treasury in the beginning of the year and informed by MFMA circular 62. POE	
MUNICIPAL MANAGER'S FOREWORD 5. On the MFMA 121 the purpose of Annual Report, the sub-sections are captured in alphabets while on the report there is use of Roman figures. Could this be clarified as why not quoted as the law is written or numbered?	PMS	5. Management acknowledges the error and such shall be rectified going forward. 5. See comments on "Oversight" above (NB: MM must use the Technical Team maximally to ensure that quality reports are produced at all cost.)	Response Accepted
6. The Municipal Manager's Foreword indicates that the municipality's financial		6. The Deficit is financed through Cash Back. <u>Follow-up Question</u>	Response not Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
base remains limited, because its main source of income is government grants. This confirms the concerns raised by the Audit Committee and the National Treasury that the municipality is budgeting on a deficit. MPAC already asked questions about this and management reported that the municipality has a revenue enhancement strategy.		i) The revenue enhancement strategy has targets, Can you tell us if this is achieved? J) What plan do you have to grow the Investment?	
6.1 What is your analysis of the revenue enhancement strategy? Are you succeeding or not? (Please provide copies of the revenue enhancement strategy to the MPAC) 6.2 Who are responsible to drive this strategy?	Office of Municipal Manager	6.1. A Revenue Enhancement Strategy was adopted by Council, see the attached strategy. Implementation of Costs Containment Regulations curtails the exorbitant expenditure and as such Follow-up Question k) We need to know if the strategy is working and achievable, Can you Provide proof? 6.2 The Revenue Enhancement Strategy is implemented by Management. Follow-up Question l) Can you be specific on who does what and how? If the strategy fails who is to be held accountable? Who is management?	The MPAC has noted the following (1) That the NDM is 95% grant dependent (2) The municipal reserves are deminishing (3) That the Revenue Enhancement strategy does not have clear measurable targets. This will make it difficult for council to measure progress and the effectiveness of the strategy (4) That though management is driving the Revenue

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
6.3 What are the measurable targets of the strategy?		6.3 There are no measurable targets. Follow-up Question m) How can you have a strategy that has no measurable strategy?	Enhancement Strategy the Municipal Accountant is appointed as the champion of the Strategy (5) In the short term the identified Revenue Enhancement Strategy income generating streams has yield positive results (6) The identified income generating streams are not sustainable as they dependent on non-compliance with municipal regulations and by-laws regarding fire, health and environmental regulations and air quality. Should members of public and organisations comply the strategy will no longer yield any results (7) The municipality endeavoured to engage the CoGTA and Finance Ministries on the possible adjustment of the District's powers and function to include provision of Regional Bulk Infrastructure without success (8) The envisaged District Development Model under discussion (9) Without proper revenue the municipality is dissipating and

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
			will be unable to provide services <u>MPAC recommendations</u> (1) THAT Research be made on the diversification of the current revenue generating streams (2) THAT the Mayoral Committee to lobby SALGA and other District Municipalities having the same challenges with the NDM and approach both the CoGTA and Finance Minister and to request for their consideration of assigning the District additional powers and functions so that they can generate revenue (3) THAT the diminishing of the municipality's revenue be kept as one of the municipality's strategic risk so that it can be properly monitored. (4) THAT Special Reports on the Revenue Enhancement Strategy be presented to the MPAC and council on quarterly basis
7. The Municipal Manager's Foreword	Finance department		NB: The major concern of the MPAC should be around the

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
indicates that NDM as going-concern institution, have many of its projects and programme continue into future financial years. 7.1 How do you measure the municipality's going-concern based on the fact that it is budgeting on a deficit and dependent on grants? 7.2 What is the value of the projects and programmes that are taken into future financial years? 7.3 What is the correct financial health of the municipality? 7.4 What is the revenue trend of the municipality by source including borrowings undertaken?		7.1. Deficit will be funded through cash reserves and the going concern will be assessed through liquidity and solvency ratios. Follow-up Question n) Provide those liquidity and solvency ratios? Tell us the sustainability of those cash reserves. o) Can you provide us with a comparative analysis of the past three years and the focus of the next two years in a graph form. POE 7.2 R135 659 000 for 2020/2021 R97 060 000 for 2021/2022 7.3 The Financial health is determined by positive liquidity and solvency ratios which indicates the municipality's ability to meet their financial obligations when they become due. 7.4 The revenue will increase by 1.73% from 2019/2020 to 2020/2021 and by 2.41% from 2021/2022 to 2021/2022 by 2.45% respectively. Follow-up Question q) Give a breakdown of revenue source and the percentage of its growth.	declining budget on support to local municipalities (Transfers and subsidies, which will require debate with Exco and management. Input from AG and Audit Committee should be solicited) Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 12 8. On the Institutional Performance –KPA's (KPI'S) 2017/2018 and 2018/2019 the rating for IDP is N/A. What are the reasons this?	PMS unit	8. Initial reporting was based on departmental performance and it is currently based on KPAs.	Response Accepted
9. The Circular 63 states that the Annual Report should contain the municipal overview in Chapter 1 which highlights among others information on demographics, economic growth, population, growth and development structures. Is there any specific reason why this Annual Report is silent on those?	PMS PMS	9. Information on demographics, economic growth, population, growth and development structures is included on chapter one of Annual Report page 16-19. Therefore it is not silent.	Response Accepted
10. What are the internal management changes in relation to Section 56 managers as required in terms of Circular 63?	Corporate services department	10. Only change was the appointment of GM: Technical services who was appointed on 1 March 2019.	Response Accepted
11. What are the municipality's top 5	Risk		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS																				
risks and what the mitigating factors?		<table border="1"> <thead> <tr> <th data-bbox="300 1458 504 1547">No.</th><th data-bbox="300 1290 504 1458">Risks/ Threats to achieving objective or planned output</th><th data-bbox="300 1099 504 1290">Root cause/ Contributing factors</th><th data-bbox="300 909 504 1099">Future action/ Treatment plan</th></tr> </thead> <tbody> <tr> <td data-bbox="504 1458 791 1547">01</td><td data-bbox="504 1290 791 1458">Inability to achieve financial sustainability</td><td data-bbox="504 1099 791 1290">Low revenue income</td><td data-bbox="504 909 791 1099">Assist VKLM (Valuation roll and Emakhazeni (By laws) all other Local Municipalities with their by-laws.</td></tr> <tr> <td data-bbox="791 1458 959 1547"></td><td data-bbox="791 1290 959 1458"></td><td data-bbox="791 1099 959 1290">Declining nature of equitable share</td><td data-bbox="791 909 959 1099">Engage National Treasury for other sources of revenue</td></tr> <tr> <td data-bbox="959 1458 1190 1547"></td><td data-bbox="959 1290 1190 1458"></td><td data-bbox="959 1099 1190 1290">Negative national credit rating affecting borrowing powers on Local Municipalities</td><td data-bbox="959 909 1190 1099">To be elevated to Council</td></tr> <tr> <td data-bbox="1190 1458 1326 1547"></td><td data-bbox="1190 1290 1326 1458"></td><td data-bbox="1190 1099 1326 1290">Lack of effective and efficient expenditure</td><td data-bbox="1190 909 1326 1099">Continue with the SCM/ debt collection system</td></tr> </tbody> </table>	No.	Risks/ Threats to achieving objective or planned output	Root cause/ Contributing factors	Future action/ Treatment plan	01	Inability to achieve financial sustainability	Low revenue income	Assist VKLM (Valuation roll and Emakhazeni (By laws) all other Local Municipalities with their by-laws.			Declining nature of equitable share	Engage National Treasury for other sources of revenue			Negative national credit rating affecting borrowing powers on Local Municipalities	To be elevated to Council			Lack of effective and efficient expenditure	Continue with the SCM/ debt collection system	
No.	Risks/ Threats to achieving objective or planned output	Root cause/ Contributing factors	Future action/ Treatment plan																				
01	Inability to achieve financial sustainability	Low revenue income	Assist VKLM (Valuation roll and Emakhazeni (By laws) all other Local Municipalities with their by-laws.																				
		Declining nature of equitable share	Engage National Treasury for other sources of revenue																				
		Negative national credit rating affecting borrowing powers on Local Municipalities	To be elevated to Council																				
		Lack of effective and efficient expenditure	Continue with the SCM/ debt collection system																				

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS																				
		<table border="1"> <tr> <td>02</td><td>Inadequate organizational performance</td><td>control in Local Municipalities</td><td>Training and development of Leadership on efficient and effective management skills</td></tr> <tr> <td></td><td></td><td>Capacity Constraints in terms of warm bodies and in terms of knowledge and skills</td><td>Filling of funded vacant positions within three month</td></tr> <tr> <td></td><td></td><td>Noncompliance to the PMS policy and framework</td><td>Signing of performance agreement level 1-3 by 31 July 2018 Enforce consequence management</td></tr> <tr> <td></td><td></td><td>Lack of approved a succession plan and retention strategy</td><td>Development of succession plan and retention strategy</td></tr> <tr> <td></td><td></td><td>Low grading of the Municipality</td><td>Follow-up on progress on</td></tr> </table>	02	Inadequate organizational performance	control in Local Municipalities	Training and development of Leadership on efficient and effective management skills			Capacity Constraints in terms of warm bodies and in terms of knowledge and skills	Filling of funded vacant positions within three month			Noncompliance to the PMS policy and framework	Signing of performance agreement level 1-3 by 31 July 2018 Enforce consequence management			Lack of approved a succession plan and retention strategy	Development of succession plan and retention strategy			Low grading of the Municipality	Follow-up on progress on	
02	Inadequate organizational performance	control in Local Municipalities	Training and development of Leadership on efficient and effective management skills																				
		Capacity Constraints in terms of warm bodies and in terms of knowledge and skills	Filling of funded vacant positions within three month																				
		Noncompliance to the PMS policy and framework	Signing of performance agreement level 1-3 by 31 July 2018 Enforce consequence management																				
		Lack of approved a succession plan and retention strategy	Development of succession plan and retention strategy																				
		Low grading of the Municipality	Follow-up on progress on																				

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS																																												
		<table border="1"> <tr> <td data-bbox="293 1469 568 1559">03</td><td data-bbox="293 1290 568 1469">Inadequate support of SMME's, cooperatives and informal traders</td><td data-bbox="293 1111 568 1290">Lack of phase in approach</td><td data-bbox="293 909 568 1111">the finalization of the grading process Implement the graded jobs as per the job evaluation report</td></tr> <tr> <td data-bbox="568 1469 858 1559"></td><td data-bbox="568 1290 858 1469"></td><td data-bbox="568 1111 858 1290">Implement the programme on financial and non-financial support</td><td data-bbox="568 909 858 1111"></td></tr> <tr> <td data-bbox="858 1469 1149 1559"></td><td data-bbox="858 1290 1149 1469"></td><td data-bbox="858 1111 1149 1290">Engage stakeholders(SEFA)</td><td data-bbox="858 909 1149 1111"></td></tr> <tr> <td data-bbox="1149 1469 1370 1559"></td><td data-bbox="1149 1290 1370 1469"></td><td data-bbox="1149 1111 1370 1290">Conduct workshops for SMME'S</td><td data-bbox="1149 909 1370 1111"></td></tr> <tr> <td data-bbox="1370 1469 1596 1559"></td><td data-bbox="1370 1290 1596 1469"></td><td data-bbox="1370 1111 1596 1290">Lack of understanding/ clarity on government policies.</td><td data-bbox="1370 909 1596 1111"></td></tr> <tr> <td data-bbox="1596 1469 1596 1559"></td><td data-bbox="1596 1290 1596 1469"></td><td data-bbox="1596 1111 1596 1290">Public and Private institutions working in silos</td><td data-bbox="1596 909 1596 1111"></td></tr> <tr> <td data-bbox="1773 1469 1596 1559"></td><td data-bbox="1773 1290 1596 1469"></td><td data-bbox="1773 1111 1596 1290">Inadequate funding</td><td data-bbox="1773 909 1596 1111"></td></tr> <tr> <td data-bbox="1950 1469 1596 1559"></td><td data-bbox="1950 1290 1596 1469"></td><td data-bbox="1950 1111 1596 1290">Business plans for SMME's</td><td data-bbox="1950 909 1596 1111"></td></tr> <tr> <td data-bbox="2127 1469 1596 1559"></td><td data-bbox="2127 1290 1596 1469"></td><td data-bbox="2127 1111 1596 1290">Quarterly LED forums</td><td data-bbox="2127 909 1596 1111"></td></tr> <tr> <td data-bbox="2304 1469 1596 1559"></td><td data-bbox="2304 1290 1596 1469"></td><td data-bbox="2304 1111 1596 1290">Engage stakeholders(SEFA)</td><td data-bbox="2304 909 1596 1111"></td></tr> <tr> <td data-bbox="2481 1469 1596 1559"></td><td data-bbox="2481 1290 1596 1469"></td><td data-bbox="2481 1111 1596 1290">Development a MOU with SEDA</td><td data-bbox="2481 909 1596 1111"></td></tr> </table>	03	Inadequate support of SMME's, cooperatives and informal traders	Lack of phase in approach	the finalization of the grading process Implement the graded jobs as per the job evaluation report			Implement the programme on financial and non-financial support				Engage stakeholders(SEFA)				Conduct workshops for SMME'S				Lack of understanding/ clarity on government policies.				Public and Private institutions working in silos				Inadequate funding				Business plans for SMME's				Quarterly LED forums				Engage stakeholders(SEFA)				Development a MOU with SEDA		
03	Inadequate support of SMME's, cooperatives and informal traders	Lack of phase in approach	the finalization of the grading process Implement the graded jobs as per the job evaluation report																																												
		Implement the programme on financial and non-financial support																																													
		Engage stakeholders(SEFA)																																													
		Conduct workshops for SMME'S																																													
		Lack of understanding/ clarity on government policies.																																													
		Public and Private institutions working in silos																																													
		Inadequate funding																																													
		Business plans for SMME's																																													
		Quarterly LED forums																																													
		Engage stakeholders(SEFA)																																													
		Development a MOU with SEDA																																													

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES				MPAC RECOMMENDATIONS/COMMENTS
				that are not bankable		
		04	Inadequate provision of basic environmental health services	Inadequate skills	Training of officials to be peace officers	
				Outdated procedure manual.	Reviewing the procedure manual	
				Inadequate implementation of the by-laws (Fine list submitted and awaiting approval by magistrate.	Ensure full implementation of the by law tariffs.	
		05	Inadequate reduction of service delivery backlogs	Decreased natural resources	Augmentation of natural resources (Moloto bulk water supply, bulk water supply from Phola to Wilge)	
				Limited Financial resources	Investigation for possible funding	
				Ageing Infrastructure	Replacements of AC pipes	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES			MPAC RECOMMENDATIONS/COMMENTS
				Lack of technical expertise in Local Municipalities Upgrading of roads and Storm water	
12. On the SDBIP 2018/2019 12.1 Can you clarify why there is a drop in performance from 95% to 84 %?(a difference of 11%)?	PMS	12.1.1. Good governance and public participation: • Two MPAC meetings could not sit due to lack of quorum • Two Public Participation meetings at Victor Khanye Local Municipality couldn't held due to security threats, and one at Emalahleni Local Municipality due to miscommunication of venue. • Two LLF meetings did not sit due to lack of quorum • NDM file plan not submitted to council due to delay in the approval by provincial archived. LED • On EPWP there were few capital projects under implementation during 2018/2019, which affected the numbers because of local content delays. • The adverts were extended via an erratum at the request of Local Municipalities, this led to a delay in appointing beneficiaries/ SMMEs for the programme Follow-up Question - What was the target of the EPWP capital projects for 2018/2019 FY? - Can you list the number of beneficiaries which were supposed to be placed on those projects and which are those capital projects? MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT AND BASIC SERVICES DELIVERY			12.1. The MPAC does not agree with the Report of Management. It is noted that at no stage the MPAC meeting failed because it did not form quorum. Management should look into the matter and provide correct report on how and why the MPAC failed to meet target.
12.2 What measures are put in place to address this and					

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
prevent it from happening again?		12.2. The report on Annual performance report is included on chapter 5 of the annual report, challenges, which are reasons for non-achievement, are stated and remedial actions are in the report.	
PROJECTS 2018/2019 13. There is a drop in performance with regard to projects from 89% to 80%. 13.1 What are the reasons for this drop?	All departments	PED 13.1 74% was spent on capital projects. Delay in appointment of service providers due to the re-advertisement of projects because of challenges experienced with the local content item in the infrastructure projects tender documents. Therefore LED KPA for 2017/18 the performance was 100%, which dropped to 75% in 2018/19. In total there were four projects and one was not achieved (the target was 25 SMMEs supported with tools and equipment). The project was delayed by the extension of call for submission of proposals from SMMEs at the request of Local municipalities, as well as the verification process of qualifying SMMEs. Provide the list of those projects 13.2 Training on local content was provided to Management. Follow-up Question - When was it provided? Was it before or after the Adverts?	
13.2 What corrective and preventative measures put in place to curb this from recurring? 14. MFMA Circular 63 (page 12) under	PMS	14. Page 13 is part of the Executive summary which forms part of chapter one.	Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
format of annual report details out Six Chapters an Annual Report should have. Under which Chapter does page 13 of this Unaudited Annual Report belong? Page 18 15. Under alphabet (d), Transfers and Subsidies, reflects 100% non-spending. 15.1. What could be the reason for this non-spending? 15.2 What corrective measures are put in place to prevent this from recurring?			
Page 18 15. Under alphabet (d), Transfers and Subsidies, reflects 100% non-spending. 15.1. What could be the reason for this non-spending? 15.2 What corrective measures are put in place to prevent this from recurring?	Finance and Technical	15.1 The contract of the appointed Service Provider came to an end in April 2019 and a new Service provider had to be procured, hence the rollover was requested. 15.2 Monitoring of Contracts has been centralised in the SCM and the Electronic Contract Management System monitors the contract management and sends reminder on the lapsing of contracts. Follow-up Question - If the SCM has electronic system that sends reminder messages, Why do we still have that gap of improving how we do our business to the point the work got delayed to be done?	Response Accepted
Page 18 16. Interest, Dividends and Rent on Land.	Finance		Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS																										
16.1 What are the reasons for slow implementation of the projects for local municipalities?		16.1 The projects started late as a result of local content	Response Accepted																										
16.2 What corrective measures are put in place to curb this from recurring?		16.2 Training was provided																											
Page 19 Employee Related Cost 17.1 How many of the funded posts were not filled by the end of the Financial Year, and why?	Corporate services	17.1 <table><tr><th>Department/Unit</th><th>Position</th><th>Level</th></tr><tr><td rowspan="4">Social Services</td><td>Control Room Operator</td><td>10/9</td></tr><tr><td>Snr Fire Fighter</td><td>9/9</td></tr><tr><td>Jnr Fire Fighter</td><td>10/9</td></tr><tr><td>Community Service x 2</td><td>N/A</td></tr><tr><td>Finance</td><td>2 x Finance Interns</td><td>N/A</td></tr><tr><td rowspan="2">Corporate Services</td><td>Committee Clerk</td><td>8/9</td></tr><tr><td>Messenger/Driver</td><td>12/9</td></tr><tr><td>PED</td><td>EPWP Data Capturer</td><td>N/A</td></tr><tr><td>Exec Mayors' office</td><td>Secretary to the Executive Mayor</td><td>6/9</td></tr></table> Follow-up Question - Why they were they not filled?	Department/Unit	Position	Level	Social Services	Control Room Operator	10/9	Snr Fire Fighter	9/9	Jnr Fire Fighter	10/9	Community Service x 2	N/A	Finance	2 x Finance Interns	N/A	Corporate Services	Committee Clerk	8/9	Messenger/Driver	12/9	PED	EPWP Data Capturer	N/A	Exec Mayors' office	Secretary to the Executive Mayor	6/9	17.1 Reasons why they were not filled? 17.3 Provide details to this response...How are the processes and when are they going to be concluded (NB: This is important for the MPAC to monitor progress)
Department/Unit	Position	Level																											
Social Services	Control Room Operator	10/9																											
	Snr Fire Fighter	9/9																											
	Jnr Fire Fighter	10/9																											
	Community Service x 2	N/A																											
Finance	2 x Finance Interns	N/A																											
Corporate Services	Committee Clerk	8/9																											
	Messenger/Driver	12/9																											
PED	EPWP Data Capturer	N/A																											
Exec Mayors' office	Secretary to the Executive Mayor	6/9																											

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
17.2 Which Departments are affected? 17.3 What impact does this have on service delivery and the overall municipal performance? 17.4 What measures are put in place to correct this?		- Explain the N/A on the post levels? 17.2 First Column of 17.1 provides the departments. 17.3 The affected departments are fully functional and no significant impact on service delivery as some are interns and others are junior positions. Follow-up Question - Why do you have a budget allocated for them if they do not have any impact or insignificant? 17.4 The process of filling all the vacant positions have been commenced with to address the issue Follow-up Question - When has the process started and when will it be completed?	Response Accepted
Page 23 – AG's report 18. In 2017/2018 the NDM got unqualified opinion. 18.1 Are all the measures contained in the Action Plan to address the Auditor-General's Findings implemented by the end of the Financial Year?	Internal audit Finance services and all department	18.1 All were implemented save for the Finalisation of the Investigation of Irregular Expenditure which is still within MPAC	Response not Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS					
18.2 If NOT, what were the measures not yet implemented and why?		18.2 Irregular Expenditure reports are still being investigated by MPAC.	<u>MPAC COMMENTS</u> The MPAC does not agree with the response from management. The MPAC noted that out of 15 MPAC recommendations based on the 2017/18 Audited Annual Report 5 were not implemented, and out 5 recommendation based on the MPAC Project Site visits relating to the 2017/18 Annual Report 2 were not implemented. This translate into 65 % implementation rate of the MPAC Resolutions regarding the 2017/18 Annual Report <u>MPAC RECOMMENDATION</u> THAT the Mayoral Committee and management must develop and action plan on the implementation of all Council resolution emanating from the MPAC resolutions. Implementation of Council Resolutions must be included in the Performance Agreements of the General Managers and other municipal officials. Progress report on the Action Plan relating to the MPAC recommendations should be provided to council on quarterly basis.					
18.3 Are all MPAC recommendations included in the Oversight report implemented?		18.3 GM Corporate – Yes all resolution on the oversight report were implemented (List them and the implementation report)						
18.4 IF NOT, why? (NB: Please provide a detailed report showing all the MPAC recommendations contained in the Oversight Report and their implementation)		18.4 GM Corporate						
		<table><tr><th>Resolution</th><th>Progress made</th></tr><tr><td>1.1 THAT Council, having fully considered the 2017/18 Annual Report of the Nkangala District Municipality and representations thereon, adopt the Oversight Report WITHOUT RESERVATIONS</td><td>Oversight report was adopted by council under resolution no: DM-ND258/02/2019</td></tr><tr><td>1.2 THAT the Oversight Report with all its</td><td>Oversight report with all its annexures</td></tr></table>		Resolution	Progress made	1.1 THAT Council, having fully considered the 2017/18 Annual Report of the Nkangala District Municipality and representations thereon, adopt the Oversight Report WITHOUT RESERVATIONS	Oversight report was adopted by council under resolution no: DM-ND258/02/2019	1.2 THAT the Oversight Report with all its
Resolution	Progress made							
1.1 THAT Council, having fully considered the 2017/18 Annual Report of the Nkangala District Municipality and representations thereon, adopt the Oversight Report WITHOUT RESERVATIONS	Oversight report was adopted by council under resolution no: DM-ND258/02/2019							
1.2 THAT the Oversight Report with all its	Oversight report with all its annexures							

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
		annexures be submitted to the Auditor-General, the Mpumalanga Provincial Treasury, the Mpumalanga Legislature and the Mpumalanga Department of Cooperative Governance and Traditional Affairs in compliance with relevant legislative prescripts 1.3 1.4 THAT the Oversight Report be made public in terms of Section 129(3) of the MFMA 1.5 1.6 THAT recommendations contained in the	THAT Action should be taken against those officials who fail to implement council resolutions including those emanating from the MPAC recommendations

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
		MPAC Projects Site Visits be implemented and progress report be submitted to council on quarterly basis 1.7 1.8 THAT the Management Action Plan addressing issues raised by the Auditor-General together with Audit Committee and MPAC recommendations made during probing sessions be implemented and reports be submitted to council quarterly 1.9 Follow-up Question _ Can we be provided with progress on all the resolutions?	
		follows : 03 & 05 July 2018 and 04 September 2018 The management plan was submitted to council by Finance on a quarterly basis indicating progress made.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
19. Have all irregular expenditures raised by AG in 2017/18 Audit Report investigated?	Internal Audit	19. Yes, all were investigated by Internal Audit. Follow-up Question - Were they also referred to MPAC? If yes, when and how were they finalised?	The MPAC noted that: (1) The fact that the Irregular Expenditure Report was approved by council and then referred to the MPAC creates unnecessary delays and conundrum in the process. (2) The MPAC is the council committee delegated to deal with Unauthorised, Irregular, Wasteful and Fruitless Expenditure as envisaged in Section 32 of the MFMA. <u>MPAC RECOMMENDATION</u> THAT Management should ensure that all UIF expenditures including investigation reports are submitted to the MPAC in line with the MPAC terms of reference and Section 32 of the MFMA to avoid delay in investigations and conundrum created in situations where Reports are adopted by Council and referred to MPAC for further investigations
Page 13 GOVERNANCE 20.Under NDM Developmental District-wide Outcomes: The sentence reads: <i>In order to realise our Vision,</i>	PMS Unit		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Nkangala District Municipality in 2017/2018 financial year has worked according to the developed 10 Goals called District-wide Outcomes, referred to as District-wide Outcomes 20.1 Can the sentence be properly rephrased? 20.2 Since the report shows what happened in 2017/18 Financial Year, what was the situation with regard to 2018/19? Page 27 21. The report lists committees established by council. The MPAC is made to believe that there is also a council committee called "Welfare Committee" in council. 21.1 If this is TRUE, what are the reasons		20.1 Management acknowledges and it will be properly phrased in future. 20.2 Mentioning of 2017/2018 was erroneously included, it should read 2018/2019	
Corporate Services	Corporate Services		Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
why this committee is omitted in this report? 21.2 How effective is this Welfare Committee?		21.1 The Committee has been established by Council and called Councillors Welfare Committee, with an intention to monitor the welfare of Councillors and it is yet to submit its report to Council. 21.2 The Committee is yet to report to council.	Response noted
POWERS AND FUNCTIONS 22. What role does the District municipality play in terms of basic services like water, electricity and housing which the key challenges in the District?	Technical services	22. NDM's role is that of implementation of infrastructure (water, sanitation, roads, storm water and electricity) projects to eradicate backlogs, as per projects that are submitted to the District by local municipalities and as prioritised in the IDP.	Response Accepted
23. What programmes and project did the municipality have in 2018/19 with regard to its powers and functions listed below? How successful or unsuccessful were they?	PED		Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
23.1 Promotion of local tourism for the area of the District Municipality? 23.2 The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major portion of the municipalities in the District?		23.1 On local tourism the District had the following programmes and projects: 1. Participation in the annual tourism indaba in Durban, where local SMMEs were brought along to show case their products to International market 2. The District Hosted the provincial Digital tourism and digital transformation workshop in line with the of world tourism organisation. 3. the district supported the establishment of the Regional Tourism Organization (RTO), and supported local municipalities to establish Local Tourism Organizations (LTO) 23.2 On the powers and functions relating to fresh produce and abattoirs there are no specific projects that were directly undertaken by the District during 2018/19, however the District is a stakeholder in the projects of the Province.	
SOCIO-ECONOMIC OVERVIEW (page 15) 24. Can you explain what this paragraph seeks to inform readers about? (NB: The whole paragraph	PMS	24. It summarises the information which the Municipality is informing the readers on the district demographics, needs and statistics.	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
should be re-phrased.)			
DEMOGRAPHICS (page 16) Correct: 25. Why is this item not numbered? (NB: The caption should be properly numbered to ensure consistency in reporting. (NB: The first sentence need to be re-phrased)	PMS	25. Management acknowledge an input in this regard and shall be corrected.	Response Accepted
26. What was the purpose for each grant and how much was allocated per Grant?	Finance	26. Grant Allocation was as follows: i. Finance Management Grant R1 000 000 – is for procurement of finance management systems and internship programs for finance department. ii. EPWP Grant R3 626 000 – to encourage job creation within municipality iii. RRAMS Grant R1 733 185 - set up rural rams and collect data on roads, bridges and traffic data on municipal road networks. iv. Equitable Share was R343 962 000 purpose is to subsidise provision of basic services.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
26.1 You state that the Rural Asset Management Grant has not been spent 100% (page 18).		26.1.1 It was for the development of the rural roads asset management systems. Follow-up Question - Can you further elaborate on the rural roads asset management systems?	
26.1.1 What was the purpose of the Rural Asset Management Grant?		26.1.2 Total Grant Allocation was	
26.1.2 How much was the total allocation of this Grant?		26.1.3 2014/2015	Response Accepted
26.1.3 When did the municipality become aware of the Grant?		26.1.4 R1 733 185	Response Accepted
26.1.4 How much was spend on this Grant allocation?		26.1.5 An amount in sum of R1 733 185 for the year under review.	
26.1.5 What were the reasons for non-spending on this Grant?			
26.1.6 Which department and		26.1.6 Technical Services Follow-up Question	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
officials were responsible for the spending of this Grant?		- Provide names of those officials?	
Page 18 27. Under Interest, dividends and Rent on land (page 18) you indicate that the interest earned in the 2018/19 Financial Year was lower compared to that of 2017/18. 27.1 Can you demonstrate your reasons for this? 27.2 How much was the total budget for transfer and subsidies in 2017/18 27.3 How much was the total budget in 2018/2019? 27.4 How much was spent in this in 2017/18?	Finance	27.1 this decrease is attributed to the improved implementation to local municipality and left less cash for investments 27.2 R 163 872 657 27.3 R 167 663 578 27.4 R 156 284 975	27.1 (NB: But the response is contrary to reports. There was slack in spending in 2018/19 and already reason for low spending such as local content were given. Management should help to reconcile these contradicting statements. EG figures on 27.2 to 27.5 give a different story to what is said here. Spending in 2017/18 was much higher than that of 2018/19) (Unspent amount in 2017/18 is R7 587 682 calculated as: Total allocation = R163 872 657 – total spent = R156 284 975 and the difference is R7 587 682 Total unspent amount in 2018/19 is R20 876 991 calculated as: Total allocation=

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
27.5 How much was spent in 2018/19?		27.5 R 146 786 587	R167 663 578- total spent = R146 786 587 and the difference is R20 876 991)

27.6 Explain this: 138.82% realised for budgeted amount for 2018/19. In the same paragraph you report what seems to be contradictory statements in that you state that the District earned less interest in 2018/19 Financial as compared to 2017/18 due to improved implementation of the projects to local municipalities under expenditure: Transfer and Subsidies. At the same time you report there is a variance that was due to slow implementation of the projects for local municipalities under the transfer and subsidies 27.7 Explain this contradiction.	Finance 27.6 The 138.82 is the comparison between the budget and actuals. The 0.72% is not contradictory as it is the comparison between 2017/2018 and 2018/2019 actual.	Response Accepted Response Accepted
--	---	---

UNDER THE SALE OF GOODS (page 19) 28. 28.1 What was the Budgeted revenue in 2017/18? 28.2 How much was collected in 2017/18? 28.3 What were the reasons attributed to the difference between the budgeted revenue and the actual in 2017/18? 28.4 What was the budgeted revenue for 2018/2019? 28.5 How much was collected in 2018/19? 28.6 What are the reasons attributed to the difference between the	27.7 The 138.82 is the comparison between the budget and actuals. The 0.72% is not contradictory as it is the comparison between 2017/2018 and 2018/2019 actual. 28.1. R1 250 000 28.2. R195 000 28.3 Due to the less revenue received than expected as a result of introduction of electronic. 28.4 The Original Budgeted Revenue was R375 573 100 but the final adjusted budget was R387 031 495 28.5 The total Actual Revenue was R396 246 647 28.6 It must be mentioned that there was a better revenue collection than budgeted for in different units and functions. For a full explanation please see attached the detailed Report of the Chief Financial Officer on the Audited AFS.	Response Accepted Response Accepted Response Accepted Response Accepted Response Accepted Response Accepted
--	---	---

budgeted revenue and the actual in 2018/19? 28.7 What is the difference between the revenue collected in 2017/18 versus that of 2018/19? 28.8 What were the reasons that attributed to this difference if any?		28.7 the difference was R4 852 248 28.8 Annual Increase of transfers and subsidies led to the difference.	
---	--	---	--

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
UNDER OPERATIONAL REVENUE (page 19)	Finance		
29.1 What constitute the Operational revenue?		29.1 The Breakdown is on note 23 of the AFS Skills Development, Staff recoveries and insurance refunds	Response Accepted
29.2 How much was the budgeted revenue in 2017/18?		29.2 The budgeted operational revenue was R361 600	Response Accepted
29.3 What was the reasons for the variance between the planned and actual in 2017/18?		29.3 The variance was as a result of less revenue received than planned	Response Accepted
29.4 How much was collected?		29.4 In 2017/2018 an amount in a sum of R490 014, was collected.	Response Accepted
29.5 What was the budgeted revenue in 2018/19?		29.5 The budgeted Revenue was R1 110 055	Response Accepted
29.6 How much was collected?		29.6 an amount in a sum of R351 271, was collected	Response Accepted
29.7 What was the reasons for the variance between		29.7 The variance was as a result that less revenue was received than planned	Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/ COMMENTS
the planned and actual in 2018/19?			
Page 55 31. Basic Services 31.1 What could be the reasons for households with formal refuse removal to be below 50%? 31.2 What strategies and programmes are there to improve the situation? 31.3 How do you reconcile figures with regard to households with piped water at/above RDP level standing at 86% with the Key Service delivery issues emanating from outreach meetings on page 43 which suggest that water is	Technical services Municipal PED	31.1 Refuse removal is taking place at urban and formalised areas and it is not much concentrated on rural village areas. 31.2 Local Municipalities have KPI's on their SDBIP's to collect a certain percentage of refuse from their communities, and these are substantiated by their action plans in the case of non-achievements. 31.3 Inadequate infrastructure in some areas and constant population growth are the major factors leading to insufficient supply of water to the community.	Response Accepted Response Accepted Response Accepted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
a critical challenge within the District? 31.4. Why is the municipality depending of 2011 statistics for Basic Service Delivery, and who is the authority of this statistics? 31.5 How does the municipality supplement or close the gaps on data provided by institutions such as Statistics SA when doing planning? 31.6 Does the municipality have its internal data management system? If NOT, why?		31.4 STATSSA is the only formal/official census in 10-year intervals and do community surveys in between the years, which are a samples in 2-year intervals. The last formal STATS was done in 2011 as per STATSSA website. 31.5 The District is using information from other sources, such as ISH Global insight, the district also relies of the data generated by DEDT. 31.6 No, however The district has a researcher who works with research institutions and participates in the provincial research forum to generate data that is relevant to the municipality. The Municipality does not have a particular Data Management System procured. However, the Municipality keeps data of all issues raised and reported to the Municipality through the Mayoral Imbizo/Outreaches. Further to the above, the Municipality has access to the Data of Local Municipalities and further data can be sourced from Statistic South Africa.	Response Accepted Response Accepted Response Accepted
Page 59 – Water Projects 32. Expenditure in some projects reflects as low as 0%,	Technical services		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/ COMMENTS
4% and 49% respectively. 32.1. What are the causes of this low spending? 32.2. What is being done to improve this situation and ensure it does not recur?		32.1 This was a result of the catching up that we had to do, following the re-advertisement of seven big projects as a result of that local content finding. 32.2 From a project management side, an acceleration plan was put in place and monitored to ensure that the department finished the financial year with acceptable performance in terms of expenditure (which was 74%), and thus the overall performance of the Municipality. Further to this, all members of the bid specification, evaluation and adjudication committees were taken for local content training at the Department of Trade and Industry to ensure that we are equipped with the necessary capabilities to avoid such an incident from recurring. Following the 2018/ 19 FY year audit, no findings were made in this regard, which shows that the training bore positive results.	Response Accepted Response Accepted
Page 60 and 61 – Sanitation project 33. The report states that all category of B municipalities in Mpumalanga are Water Service Authorities. However, some local municipalities within the District do not have capacity to	Technical services		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
perform such function. The report also shows capital expenditure on sanitation projects in some instances as low as 0%, 9% and 26%. 33.1 Which are those local municipalities within the District that does not have capacity to perform their water functions? 33.2. What interventions are in place to ensure that this basic service is provided to communities? 33.3. Have the District Municipality highlighted these capacity challenges		33.1 The District Municipality has not yet conducted capacity assessment in line with the provisions of Section 78 of the Municipal Systems Act, Act 32 of 2000, which states as follows: “If a municipality decides in terms of subsection (2)(b) to explore the possibility of providing the municipal service through an external mechanism it must- (a) conduct or commission a feasibility study which must be taken into account and must include- (i) a clear identification of the municipal service for which the municipality intends to consider an external mechanism” It is only after the said assessment has been done that the District would know which local municipality does not have the required capacity. 3.2 NDM is implementing Infrastructure Investment Projects on behalf of Local Municipalities as part of infrastructure development, and for purposes of eradicating service delivery backlogs across all six Local Municipalities. 33.3 No, the assessment has not been done and NDM has to be guided by the recommendations of a feasibility study regarding the capacity challenges, and as such these challenges have not been legislatively highlighted. 33.4 The re-advertisement of seven big projects because of the local content finding, which placed the department on a back	The MPAC noted that the response given does not address the MPAC question at all. MPAC RECOMMENDATION THAT management should do proper assessment about the municipalities and give report within 6 months indicating challenges per the municipality and proposals on how to address such challenges.

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
to the relevant authorities and what are their responses? 33.4. What could be reasons for non-spending and what are corrective measures put in place to curb recurrence in future?		foot performance (expenditure) wise. From a project management side, an acceleration plan was put in place and monitored to ensure that the department finished the financial year with acceptable performance in terms of expenditure (which was 74%), and thus the overall performance of the Municipality. Bid committees have since been trained by the DTI on local content, hence the finding has not re-occurred.	Response Accepted
Page 79 34. Why the inspection done were only mainly about AEL Pre-licencing instead of performing enforcement?	Social services	34. Twenty one (21) Compliance Inspections where planned and thirty (30) were conducted during the 2018/19 FY of which most are AEL Pre- Licencing. The main reason is insufficient staffing in the Pollution Control Unit, since the first Environmental Compliance Officer was only appointed in January 2019 and the second one in December 2019 as per attached copies of appointment letters.	
35. Where is Annexure A on page 111?	Finance services	35. 2018/2019 Annual Performance report was submitted separately attachment on the Unaudited Annual Report. It is now incorporated in the 2018/2019 Audited Annual Report (Attached hereto) on Chapter 3, Component J.	
Page 143 36. Which part of the report does Appendix D relate to and if this appendix is	Corporate services	36. At our level we do not have the locals ward committee minutes as they reside with the municipality concerned, our role is to coordinate and report during our outreaches, and the	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/ COMMENTS
part of Annual report. Can we be provided with POE for the 1st Quarter of Ward committee meeting's minutes of Thembisile Hani ward 18 and ward 4, the 2nd Quarter for Dr JS Moroka Ward 13 and ward 2?		District Report is based on the information received from the locals. There is no POE submitted by the locals.	
Page 35 37. The picture of General Manager: Planning and Economic Development is depicted without his functions like those of other General Managers. What are the reasons for this?	Corporate services	37. It's an oversight the AR will be corrected in future.	See previous comments on oversight
Page 39 District Municipal Public Accounts Forum 38.1 How was this structure established	CORPORATE SERVICES	38.1. District MPAC was established based on the NAMPAC TOR'S.	Noted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/ COMMENTS
without Terms of Reference? 38.2 How far is the process of the finalisation of the Terms of reference for the District Municipal Public Accounts Forum?		38.2. the development of the Terms of Reference is still underway and at 80%. The following activities still need to be undertaken: • Benchmarking with other Municipalities • Soliciting Legal Opinion (To establish the document's legal compliance.) • Soliciting inputs from stakeholders such as SALGA, National Treasury and COGTA • Presenting proposed Terms of Reference to constituent municipalities for inputs	
Page 39 39. On which date was the Provincial launch of the NAMPAC hosted by NDM?	CORPORATE SERVICES	39. 23 January 2019	Noted
Page 39 40. How many times did the Premier intergovernmental Co-ordination Forum meet?	Social services	40. The PCF sat 3 times in the year under review	Noted
Page 26 41. The report states that the Nkangala Municipal Council resolved to have 10 sittings in the	Corporate services		Noted

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
2018/19 Financial Year 41.1. Did council managed to have all 10 sittings as resolved? 41.2. Did all councillors managed to honour council meetings as arranged? If there were councillors who failed to honour council meetings and apply leave of absence as required what were actions taken against them? Page 27 42. The report states that NDM council established six (6) committees to assist the Executive Mayor in discharging her duties. 42.1 Were those committees able to		41.1 Yes, all Council siting as per the Year Planner were convened and attended. 41.2 Yes, Councillors honoured all meetings and in case of absence, applications for leave were forwarded and approved by Council	
Corporate services	Corporate services	42.1 Yes, all Section 80 Committees as established discharged their responsibilities as per the Year Calendar for Committee sittings.	Noted

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
discharge their responsibilities? 42.2. Did the Executive Mayor delegate any powers to those committees or Chairpersons? If NOT, what are the reasons and how does the Executive Mayor able to hold them accountable if no powers are delegated to them?		Follow-up Question a) The answer covers only section 80 Committees, What about Section 79 Committees and Audit Committee? (Take out because the Section 79 and Audit committees are council committees not for Executive Mayor) 42.2 Yes, Chairpersons of Committees are delegated to lead the Committees and all matters discussed are forwarded for consideration by the Mayoral Committees. All the Chairperson as MMC's hold study groups with the Executive Mayor during the Mayoral Committee and discussions of items from Committees are discussed and they report to the Executive Mayor in respect of their respective directorate/ departmental responsibilities.	
Page 29 43. Council appointed the Audit and the Risk Committees to provide independent advice to council, executive and administration	Internal Audit Risk	12 Recommendations were made by Audit and Performance Committee and only one was not implemented the recommendations on signing of performance contracts one official from Social Services did not sign performance contract Risk Management Committee:	Noted

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
43.1. How many recommendations were given by these committees in 2018/19 Financial Year?		43.1 The Committee issued 35 Recommendations	
43.2. How many of those recommendations were not implemented and what were the reasons?		43.2 All recommendation were implemented	
43.3. If there were recommendations not implemented, which departments were responsible and what actions were taken against the officials in those departments?	Internal Audit Risk	43.3 The two (02) officials who did not sign are subjected to DC Processes.	Noted
Page 53 PUBLIC SATISFACTION ON MUNICIPAL SERVICES	PED		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
44. The report states interesting figures on public satisfaction survey with regard to communication at 38.6%, road construction and maintenance at 42% and biodiversity at 24.2%. 44.1. Who conducted the survey and how? 44.2 Does Executive and Management agree with these findings? If YES what could be the contributing factors to this low scores? 44.3 Does the municipality have adequate resources (Financial and Human Capital) and strategies to improve the situation? If YES, outline them.		44.1 The District appointed Fast Moving Trading to undertake the research. The methodology they used includes primary research- field work, sampling, execution questionnaire and generation of results. 44.2 Yes, the District accepted the report, and agreed to improve on areas where weakness been identified. The contributing factors are as follow: Roads, most of the local roads and internal streets are gravel, they require paving or tarring. Biodiversity, it is affected by intensive mining, coal powered stations and industries which negatively affect the environment. 44.3 The municipality has a budget to address issues of roads and storm water, however the budget is limited, and it will take long to eradicate the backlogs.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page 37 45. Municipal Managers, Mayors and Speakers Forums. 45.1. How many meetings were scheduled for these forums in 2018/19 Financial Year? 45.2. Did all the meetings sit as scheduled, and if NOT, why? 45.3. Did all Municipal Managers, Executive Mayors and Speakers attend their respective meetings? If NOT, who were those Municipal Managers, Executive Mayors and Speakers who fail to attend and their reasons?	Corporate services	45.1 Four (4) meetings , 1 per quarter per forum 45.2 MIM FORUM –all meetings were convened as planned Mayors Forum- Only 3 were held in the year under review Speakers forum- 4 meeting , one per quarter and all meetings were convened 45.3 All speakers attended, except VKLM who missed 3 meetings of the Speakers Forum due to the political instabilities at the municipality by then.	The MPAC notes the challenges with regard to the IGR Forums especially on non-attendance by some locals. This impacts negatively on all the endeavours of the District municipality to assist locals MPAC RECOMMENDATION THAT the matter of non-attendance by some locals to the IGR forums be elevated to political office bearers in the form of the Mayor and Speaker's Forums and report given to council within 3 months.

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
45.4. What challenges did these forums meet in executing their mandates and how were they resolved?	Corporate Services	45.4 MM's Forum – delegation of junior officials without decision making powers. Municipalities were instructed not to send Juniors to the MM's Forum. Speakers – no challenge except the absence of VKLM. After political instabilities were resolved the Speaker is now attending. Mayors forum was postponed indefinitely Follow-up Question a) There is no indication of how the problem of attendance would be addressed moving forward. Can it be clarified?	
Page 37 46. Finance Forum It is common knowledge that some of the local municipalities in the District are not performing well in terms of issues of Financial Management as espoused by Auditor-General's reports 46.1 What assistance did this forum give to each of the affected local municipalities	Finance	46.1 The Forum is used to share best practices and shares advises on GRAP, Audit and AFS preparations. In addition there is a Municipal Account capacitating the Local Municipalities as and when required on an ongoing basis.	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
to ensure they improve their status? 46.2. Did the assistance bear any fruits? If NOT why? And, what interventions are needed if any?		46.2 The Local Municipalities do not implement recommendations of the Forum. The District will appoint a team of Service provider assisted by District Officials to train the Local Municipalities.	THAT the Matter to should be raised at Executive Mayors and Speakers' respectively
Page 41 47. Municipal Website, Can you clarify the sentence under this item?	ICT	47. There was no proper introduction of the section, however the sections outlines documents that should be published in the municipal website in terms of Section 75 of the MFMA.	
Page 42 48. Mayoral Outreach Meetings During the IDP/Budget Indaba in April 2019, the Executive Mayor decried failure by some of the Sector Departments to take part in Mayoral Outreach meetings. Council subsequently resolved that the matter be raised with	PED AND PUBLIC PARTICIPATION		

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
COGTA as the department responsible to ensure attendance of Sector Departments to these meetings. Furthermore council resolved that Oversight visits be paid to all Sector Departments Projects implemented in the District where the members of the Mayoral Committee and MPAC should be involved.			
48.1 How far was the council resolution relating to non-attendance of Sector Departments implemented? 48.2. Who were those Sector Departments affected?	Corporate services AND PED	48.1 The matter was referred to COGTA representative during the IDP/PMS forum and they undertook to engage with sector departments. There has been visible improvement of attendance of Sector Departments in the Mayoral Outreach. 48.2 Department of Economic Development and Tourism, Cooperative Governance and Traditional Affairs, Department of Culture, Sport and Recreation, Department of Social Development, Department of Public Works Roads and Transport and DMR.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
48.3 How did COGTA resolve the matter? 48.4 How far was the council resolution with regard to Oversight visits implemented and what were the findings? 48.5 How does the District address the Key service delivery issues emanating from outreach meetings as reported on page 43 of the report? 48.6 What is the budget breakdown allocated to each of these 6 (six) Key Service Delivery		48.3 A commitment was made by COGTA to address the matter and revert to the Municipality. 48.4 The oversights were not scheduled as planned 48.5 Issues that are within the District competence are addressed during annual Strategic Lekgotla, as well as the monitoring reports that submitted to council quarterly. Issues that affect sector departments are reported to the sector departments concerned and the said sector department is expected to present and provide progress during quarterly IDP/PMS forum. 48.6 For creation of sustainable jobs the municipality has R 6.5 Million for learnerships and have R11 Million for support of SMMEs and cooperatives.	Management should ensure that all council resolutions are implemented

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
issues in the 2019/2020 Financial Year?			
Page 46 49 Risk Management Low grading of the municipality has been a grave concern to both council and labour. The report indicates that you have achieved on "follow-up on progress on the finalisation of the grading process and implemented the graded jobs as per the job evaluation report.	Risk Corporate Services	49.1 The grading of the Municipality is a competency of the SALGBC and outside the control of the municipality. 49.2 The Job Evaluation is aimed at standardising the job descriptions and ensure that all positions are correctly on the correct post level, in terms of the TASK Job Evaluation System. Council approved the implementation of the TASK Grading system, however, its implementation is also dependent on the approval of the Wage Curve Collective Agreement which is a central bargain issue, which will inform the movement of position financially.	
49.1 When was the follow-up on the finalisation of the grading process done and what were the results? 49.2 What job evaluation report is			

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
referred to here and when will it be done? 49.3 How many jobs were affected by the grading and what is the financial implication (costs) if any?		49.3 All jobs in the district were graded.	
49.4 What effect did the two processes (grading and job evaluation) have on staff morale and minimising staff turnover? Explain in detail. With regard to Public and Private institutions working in silos, the report indicates that Quarterly LED Forums were achieved.	Corporate services PED	49.4 Both the processes have an effect on staff morale, as there are legitimate expectations of improvement of salaries of officials. The Municipality 9Administration) is currently undertaking a post rationalisation process resulting from the Job Evaluation Process, which report will be re-submitted for Council consideration in the current financial year.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
49.5. Who were the private institutions who attended the LED Forums?		49.5 Middelburg chamber of commerce industry, Local SMMIEs and cooperatives also participate in the LED Forum, however attendance of big business is not consistent.	
49.6 Were the Mining houses also attending the LED Forums? If YES, what were the discussions and commitments around the SLPs and CSIs and the implementation thereof? The report shows that augmentation of natural resources (Moloto Bulk Water Supply) is achieved.	Technical services	49.6 Some Mining companies do send representatives to attend the LED forum, however these are junior officials who have no authority to make commitments in relation to SLPs and CSI, they are only responsible for implementing what the mines have already committed to.	
49.7 How was this done?		49.7 NDM's scope was to conduct designs for the Moloto Borehole Water Scheme, which was informed by a geo-hydrology studies that were conducted by Specialists contracted by the Consulting Engineers. These studies showed that there was up to Mega litres of underground water that could be sourced, which would augment the current water shortfall in Thembeisile Hani Local Municipality (THLM). The reports were	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
49.8 How much was spent if any? 49.9 Did this ameliorate water challenges faced by the communities? If NOT, what further strategies are needed/put in place? On Investigation for possible funding in mitigating limited Financial resources the report indicates that same is also achieved. 49.10 How was this done? 49.11 What are the revenue streams identified in the investigation report if any?		then handed over to THLM who continued with implementation (construction). 49.8 R865 744.00 was spent on the design work. 49.9 No, the NDM scope was limited to design, which does not ameliorate the water challenges. The Local Municipality will do the physical works which upon completion will surely ameliorate the water challenges.	
		49.10 The achievement is based on the action taken by NDM regarding the request for possible funding in mitigating the limited financial resources. 49.11 The terms of reference of the Specialist were not to identify revenue streams, but to investigate if there is sufficient underground water that can be sourced. With reference to the revenue streams, the Local Municipality will have to bill the users in line with their tariffs for the water that will be	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
		consumed, and put in place revenue collection methods accordingly.	
Page 51 50.SCM 50.1 What was the targeted reduction of deviations set for 2018/19 Financial Year? If NO target was set, what were the reasons? 50.2 What were the reasons for regression in attendance to meetings by Bid Committees? 50.3 What actions were taken against those bid committee members who contributed to the regression if any? 50.4 What regression did this regression have on service delivery?	finance	50.1 There was no target served, however the intention was to reduce the deviations and limit them to emergency deviations and where it is impossible to follow SCM Processes. 50.2 Attendance regression is due to other Council commitments and officials on leave. Follow-up Question a) If the work of Bid-Committee is very important, why is it not given equal priority with other council matters? Why didn't you manage leave to an extent that it does not affect the work of this committee? 50.3 The said officials were called in to respond to the performance committee and as a result lower performance scores were given to them. 50.4 None, because committees were always forming a quorum and sat as planned.	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
50.5 Was attendance to Bid Committee meetings included in the performance agreements of respective officials to ensure accountability? If NOT, why? 50.6 Did all Bid Committee members and the Broader Management attend the trainings on SCM organised for them? If NOT, what were the reasons and what corrective actions were taken against those who did not attend?		50.5 Yes it was included 50.6 No, only the Committee Members and SCM Practitioner were trained.	
Page 63 51 Roads and Storm Water 51.1 Since 2015/2016 to date the District never	Technical services	51.1 The grading of gravel roads is not part of NDM's strategies, as the maintenance competency lies with the Local Municipalities. The District's role is to surface (construct) the	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
graded or any maintained road. Is grading of gravel roads not part of the District municipality's strategies? If YES, how are the communities who use gravel roads assisted where their roads are impassable?		roads in line with the project submissions that are submitted and prioritised accordingly.	
51.2 Was developing designs the only target for 2018/19 with regard to roads and storm water? 51.3 How could it take you the whole year to develop designs? Why was the projects not implemented?	Technical services	51.2 No, the initial target was not designs only, but designs and construction. 51.3 It did not take the whole year and developing designs does not take the entire year to develop designs, and the reasonable period is 3 – 5 months. The only time where designs will take over 6 months is when there are Environmental Authorizations required, notwithstanding a period of a year minimum for Water Use License authorization. Limited budget led to the District Municipality only conducting designs, as the budget required for construction was not sufficient.	
Page 67	PED		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/ COMMENTS
Planning Development 52. The report indicates that there are 28 application that are pending at the end of the Financial Year 2018/19. What were the reasons for that? 53. There are 14 projects that were at 0% spending while 6 were still under 50% spending. 53.1 What were the reasons for situation? 53.2 What was the total budget allocated to Economic Development Services in the 2018/19 Financial Year and how much was not spent?		52. The applications could not be finalised due to the outstanding information relating to documents that are required from the applicant in order for the application to be finalised. 53.1 We do not have projects that were at 0% 53.2 The budget for 2018/19 for Planning and Economic Development was R 35.1 Million and expenditure was R 24.1 Million, therefore R 11 Million was not spent Follow-up Question a) If there is no projects which are at 0% at which percentage are they? Also does it mean your reporting is misinforming or misleading? 53.3 The selection process of beneficiaries was underway at the close of the financial year, as such the budget was rolled-over to 2019/20.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
53.3 Since the municipality adopted Zero budgeting approach, what motivation was put forward by the responsible department that convinced the Finance Department to allocate this amount to the department? 53.4 How did this non-spending affect service delivery? 53.5 How much was allocated to the Economic Development Services for 2019/2020 considering this non-spending? 53.6 What mechanisms are in		53.4 The non-expenditure affected only the programme on supply of tools and equipment to SMMEs, however the process has since been concluded. 59 SMMEs are benefiting from this programme. 53.5 The budget for 2019/20 is R 28.5 Million 53.6 The district managed to procure service providers on three year panel, and secondly, calls for proposals will be done a year prior to selection of beneficiaries in order to eliminate delays.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
place to ensure spending moving forward?			
Page 68 54. Local Economic Development (Including Tourism and Market Places) The Report explicitly explains the goals of the LED and the fact that NDM is the main economic hub in the Mpumalanga Province. 54.1 What was the municipality's targeted number of job creation in relation to the National target? 54.2 Did the municipality achieve that target? If NOT why?	PED	54.1 The target for job creation in terms of the EPWP was 510 job opportunities, however additional jobs can be created in terms of other programmes (Tools and Equipment). 54.2 No, during 2018/19 Financial Year, there was slow implementation of capital projects due to issues of local content and production, which affected the work opportunities that were planned. 54.3 During 2018/19 Financial Year there was slow implementation of capital projects due to issues of local content	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
54.3 The figures of EPWP Projects and Jobs created through EPWP projects show a decline. What could be the cause of this? 54.4 From the municipality's internal sources for example infrastructure development projects and other services how many jobs were created in the 2018/19 Financial Year? 54.5. Since Women and Youth are the most critically affected sectors in terms of unemployment, what is the total jobs created for youth and women respectively in the		and production, which affected the work opportunities, however such issues on local content have since been addressed. 54.4 The District created 185 job opportunities, which includes all the projects that municipality implemented. 54.5 The EPWP programme, especially the learner-ships focuses mainly on youth and women	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
2018/19 Financial Year? 54.6 With regard to NEDA what was the milestone schedule for 2018/19 and how far was it realised? In cases where targets were not met, what could have been the reasons?		54.6 The milestones for NEDA in the Financial year was to develop the Financial model and to conduct due diligence into the revenue drivers namely, Property Development and development of a Fly-Ash beneficiation incubator, both milestones have been achieved.	
Page 73 55 Community and Social Services 55.1. How many job opportunities were created for people with disabilities in the 2018/19 Financial Year?	Social services	55.1 Five people with disability have received projects from NDM. Two have benefited from the seven days quotations (delivery of refrigerator and delivery of soft drinks, and decoration for SODA), two appointed for three years Contract through DEAFSA for Sign Language Interpreter and Catering Service, One benefited from SMEs (small and medium-sized enterprises) and has received backing machines.	
55.2 One of the challenges raised by people with disabilities was with regard to Social housing. How did the Executive Committee assist to resolve	Social services	55.2 Intervention was done together with department of Human Settlement in 2019, where the NDM together with all the LMs and the Huma Settlement held a Round Table Discussion on the matter. Together with the Local Disability Forums we have been regularly monitoring the waiting list on the database per LM in order to priorities people with disabilities.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/ COMMENTS
these issues as raised during the IDP/Budget indaba in April 2019? 55.3 What is the HIV/AIDS statistics in the District? How effective are the programmes run within the District in decreasing the HIV/AIDs statistics? 55.4. Unemployment among the youth is said to be high in the South Africa. The Youth Development Report however does not say much about Youth Unemployment in the District including initiatives undertaken to address this challenge. What could be the reason for this?		55.3 There was an increase in the HIV Prevalence between 2012 and 2015, however it increased by 6.3 % in 2017 from 25.1% to 31.4%. " The National Anti-natal Sentinel HIV Key Findings, South Africa (July 2019)" 55.4 The Youth Unit's Integrated Youth Development Strategy of 2015 was geared towards addressing HIV/AIDS, Teenage Pregnancy and Drugs and Substance abuse, thus the programs of the Unit spoke largely to that effect. Youth Unemployment and skills development will be focused upon during the NDM Integrated Youth Development Strategy Review during 2020-21 FY Budget. 55.5 There were no programs developed for this purpose as far as the 2018/19 institutional plan is concerned, however, the Youth Unit has taken an initiative to include such initiative as Enterprise and Supplier Development in partnership with	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
55.5 What were the programmes initiated in the 2018/19 focusing on youth employment and how successful were they? 55.6 The report indicates that youth is not benefitting from mineral wealth within the District. What are the reasons for that? What initiatives have been taken to address this? 55.7 What are the milestones agreed upon in the 18th June 2019 Skills Development Summit?		external business stakeholders for youth owned enterprises on its 2020/21 Budgeting Cycle. 55.6. The Youth Unit hosted youth mining summit which identified opportunities in the mining sector that can be availed to youth owned enterprises. The Youth unit has since proposed an Intergraded Enterprise and supplier development programme of youth owned enterprises with the purpose of building the operational capacity and financial viability of the youth owned enterprises so that they can be able to create employment in the District. 55.7. The Summit targeted youth in business to address the lack the necessary entrepreneurial skills and the out of school unskilled youth in an attempt to address the skills gap and access to business opportunities for youth. The Summit received inputs from Exxaro, NYDA, KPMG, NDM to which the delegates interfaced with, with a view of contributing towards the reviewal of the Integrated Youth Development Strategy of Nkangala District in 2020/21 Municipality and mapping out actions for implementation. Issues raised in the summit include but not limited to; • The lack of economic integration between the six Local Municipalities. • Insufficient business support and lack of funding from the private sector for youth owned SMME's.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
		• The need to establish business incubation centres across the district to improve the sustainability, profitability and capacity of youth owned SMME's. • The need for deliberate artisanal skills programs for the unskilled youth for purposes of the youth to be able to participate in the labour economy of the district. • The need to intensify the matric-rewrite program by the NYDA to ensure that more young people complete their matric. • The need for a deliberate transformation agenda to benefit youth owned SMME's • There should be clear set asides and ring-fenced employment and business opportunities for local youth. • The mining houses must develop a clear stakeholder management strategy to ensure that there is a healthy and beneficial relationship between them and the youth strata in the district. • Share that business and skills development opportunities through the youth offices across the district. • That the private sector, particularly the mining houses provide driver's license training program to as part of the CSI. • That the mining houses are transparent with their SLP and CSI projects for purposes of accountability.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
55.8 How many young people attended the Summit and what was the breakdown in terms of Local Municipalities within the District?		55.8 The summit was attended by 120 youth across the district to which the breakdown was 20 delegates per Local Municipality.	
55.9 What was the total budget for Youth Development in the 2018/19 Financial Year and how much was spent?		55.9 The 2018/19 budget was R172, 421 to which R153, 742 was spent on the event.	
56. Disaster Incidents (No page number) The report states one incident of community protest in Dr JS Moroka Local Municipality.	Corporate services		
56.1 Was this the only community protest that was		56.1 No, there were other protest at Emakhazeni LM, Thembisile Hani LM, Steve Tshwete LM and Emalahleni LM.	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
recorded in the District in 2018/19 Financial Year? 56.2 How were the reasons for the protest addressed to ensure that the protests do not recur? 56.3 During the MPAC site visits it was reported that in some instances community members disrupt some Municipal Programmes demanding that they be given tenders to an extend that the affected departments are contemplating doing away with Project Site Inspections and establishment of Project Steering Committees. What		56.2 Most of the protests were around disruption of construction sites, thus both government and the private sector, should engage with affected communities on project implementation. With regard to Dr. JS Moroka LM, this matter requires political intervention. 56.3 The disruption of projects by communities is a national crisis beyond our control as tenders cannot be awarded to all community members. However the municipality is engaging with affected communities and also advise on subcontracting	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
programmes to you have the address issues of this nature?			
Page... 57.Information and Communication Technology (ICT)Services 57.1 Who comprises the ICT Steering Committee and what are functions of this committee? 57.2 The reports states that laptops are provided to both management and councillors with Tablets. Since there has been a serious concern from councillors about their tablets what measures have you put in place to address their challenges?	ICT	57.1 Is comprised of the General Managers, Unit Heads and it is chaired by the Municipal Manager. The functions are to oversee the implementation of the Municipal Governance ICT Framework. 57.2 Council resolved not to extend the Vodacom Contract and the Municipality has started a process of procuring new tools of trade for Councils.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
57.3 What was your target turn-around time to attend to ICT related breakdowns in 2018/19.		57.3 Major problems were resolved within 2 days and minor problems are resolved within a reasonable period of not more than an Hour.	
Have you achieved that target in the 2018/19 Financial Year?	ICT	Target Achieved	
Page.... 58 Trade and Investment Promotion within the District 58.1 For which Financial Years are the R330 million investment projects? 58.2 How many SMMEs were assisted with each of the 7 services listed in the report?	PED	58.1 The investment Pipeline was generated during the 2018/19 Financial year, however facilitation work will continue and overlap into the following financial years, because some of these are long-term projects and cannot be implemented in one Financial year. 58.2 At least 13 local SMMEs have been assisted to develop viable projects that have been included in the investment pipeline. Over and above that, other services include hosting of workshops and referring SMMEs to DFIs and other relevant institutions for further assistance.	

QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
Page.... 59. Skills Development and Training 59.1 What are the correct figures on the Skills Development Expenditure for 2018/2019 since the figures for the Actual does not correspond with the total of R 2 158 084 in the report?	Corporate services	59.1 The correct figure for the 18/19 Expenditure is R 2 158 084 and it is the same amount compared with the expenditure on the vote.	
Page 152-227 60 Performance of them External Service Providers There are service providers which scored less than 3 in terms of the scale provided in the report. 60.1 What actions have you taken against each of the service providers?	Legal Services	60.1 The Service Providers that were not performing above a score of three (03) were put on terms by the respective end user departments to improve on their performance, failing which their services would be terminated. As a result thereof all Service Providers improved and managed to produce satisfactorily	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
60.2 Who funded the shortfall for projects which were completed outside the allocated budget and what was the total expenditure on that shortfall if any?		performance. Otherwise, had there been Service Providers who did not improve such would have been terminated. 60.2 The SCM Policy allows for variation orders of not more than 20% of the contractual project costs, such can be funded from the approved budget to cover the shortfall. Shortfalls can emanate from unforeseen circumstances during project implementation.	
60.3 How were these service providers which performed poorly procured?	PMS	60.3 All Service Providers are procured in line with the provisions of the Local Government: Municipal Finance Management Act, read with the Supply Chain Regulations, Municipal Supply Chain policy as well as Treasury Circulars; i.e. through quotation and the tender processes.	
Page 61 PMS 46 officials qualified for Performance Bonuses in 2018/19 evaluations 61.1 What is the total R-value of the performance bonuses?		61.1 R1 125, 135.63 (after tax) was paid for the performance bonus for 2017/2018 financial year not for 2018/2019 financial year) The performance assessment for 2017/2018 were conducted during the year under review. The 2018/2019 performance assessment will be conducted during 2019/2020	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
61.2 Was the Oversight Report on the 2017/18 Annual Report and the Auditor-General considered when conducting the performance evaluations? If NO, why? 61.3 The report suggests that the Municipal Manager followed a particular process to evaluate performance of municipal officials. However that process is not outlined in the report. What could be the reason for that? Can the process be outlined as suggested by the report?		after the 2018/2019 annual report has been table to council as required by 2001 Regulations 61.2 Yes, the 2017/18 Oversight report, Annual Report and the Auditor-General were considered when conducting the performance evaluations. The assessment were conducted on March 2019 to June 2019 for 2017/18 financial year 61.3 The process on evaluation cannot be outlined on the report due to the fact that the purpose of the annual report is to provide a report on performance against the budget of the Municipality or Municipal entity for the financial year. The evaluation processes have been covered on the PMS policy in terms of section 38 of Municipal System Act. See attached the PMS Policy.	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
61.4 Were all municipal officials evaluated? If NOT, what were the reasons? What actions have been taken against those officials who did not comply with the municipality's PMS policy? (NB: Provide detail in each action taken if any.)		61.4 Not all Municipal Officials were assessed. Eleven (11) Officials were not assessed for various reasons ranging from unavailability during the assessment period to non-attendance of scheduled assessments. All these Officials were subjected to a Consequent Management process and written warnings were issued against all of them.	

MPAC QUESTIONS TO EXECUTIVE AND MANAGEMENT BASED ON PROJECT SITE VISITS

QUESTIONS	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
1. Yellow Machine 1.1 What did the NDM do to ensure that yellow machine as supplied to the local municipalities are put in use to avoid them remaining unused for such a long time and finally amounting becoming fruitless and wasteful expenditure?	TECHNICAL SERVICES 1.1 NDM's responsibility or mandate hereto was to supply, deliver and register the yellow plant/fleet as per request that was submitted by the Local Municipalities. This is done through the understanding that the Local Municipalities will immediately schedule or put them in use for their operations and maintenance, for we do formally write to them to notify them of the completion of the delivery and registration, immediately once this is done. We are thus of the view that this does not constitute fruitless and wasteful expenditure on the side of NDM, but we will be taking this matter up with Local Municipalities at our quarterly Technical Services Forums.	(NB: The NDM will not escape any accusation from the members of the community if the District reports show that certain services were provided and only to find that it did not benefit the members of the community. The NDM therefore has the responsibility to follow its money and check whether it yield desired impact otherwise projects will result in white elephants)
1.2 How does the NDM satisfy itself before allocating funds to projects requested by local municipalities that indeed those projects are priority needs of the community to avoid a situation where they become white elephants?	1.2 All funds of projects are allocated post-vigorous IDP and Budget processes. These projects are contained in the IDP's of both NDM and Local Municipalities.	1.2 Based on this response was the District convinced that Steve Tshwete Local Municipality needed the yellow machine and they were ready to put them to use when delivered?(NB: See some of the reasons why the yellow machines were not put in use)
2. Business Creation and Expansion SMME(Youth) NDM 2.1 Was this project part of the municipality's support strategy to the youth?	PED AND TECHNICAL SERVICES 2.1 Yes, was aimed at empowering the youth by developing car washes and Steve Tshwete Local	
2.2. How many beneficiaries were targeted with this project?		2.2. (The question is: What was the target?. This will help to assess whether the target was met or

2.3. Were the beneficiaries provided with skills to manage the project including its marketing? 2.4. Who is the dedicated official/s to work with beneficiaries on this project?	2.2 The project in Steve Tshwete Local Municipality resulted in the employment of six youth employed three females and three males 2.3 As the District our scope of work was to build the facility for the local Municipality, and the municipality will deal with identification and handing over of the project to the identified beneficiaries, including capacity building. 2.4 The local Economic Development department in Steve Tshwete Local Municipality is responsible for managing beneficiaries	not and what are the reasons if the target was not met) Was that done?) (how do you communicate with them?)
2.5. When will the project be handed over to the beneficiaries and title deeds given to them as requested? 2.6. How much was spend on the project?	PED 2.5 The project was handed over to the Steve Tshwete Local Municipality in July 2019. The property belongs to Steve Tshwete Local Municipality, and the Municipality will dispose the property according to their internal processes. 2.6 R 1 317 062.	(Breakdown of the costs involved need to be made based on the size of the project; Further investigation
3. Installation of Bulk Infrastructure at Gugulethu 3.1 What assistance is the NDM providing to the local municipality to ensure that the envisaged township establishment is realised and the infrastructure already put is not fruitless?	TECHNICAL SERVICES 3.1 Bulk services are installed after the following processes are completed township establishment application , paging and surveying as well as opening of a township register	Township Establishment Procedure In order to obtain the majority of land use rights on an agricultural holding (plot) or farm portion the procedure of township establishment needs to be followed. Township

3.2 How long is it envisaged to take the local municipality to finalise the township establishment process?	3.2 The Township establishment has been finalised at Gugulethu , the municipality is responsible for allocation/ building of RDP houses on the stands	establishment is a combined process of rezoning and subdivision, applicable to the two property types mentioned above. The township establishment procedure generally involves the following: A preliminary investigation and report are completed. The basic requirements for township establishment must be positive. • See “Can I develop my agricultural holding or farm portion?” for details. • An application is submitted to the local authority for the establishment of the township. • The application is approved in principle by the local authority. • Conditions of establishment are obtained. • The general plan is compiled and submitted. • General plan approval is obtained from the Surveyor General. • Clearance from the local authority is obtained. • The township register is opened. • The township is proclaimed. • The township is serviced. • Final clearance is obtained to allow transfer of erven (stands).
--	--	--

		There will generally be additional requirements, ie the payment of contributions, the submission of a site development plan (SDP) and building plans before the rights may be exercised. An application for the township establishment will take between 24 and 36 months (this is subject/dependent on various variables).	
4. Upgrading of WWTW at Thubelihle 4.1 Why did the municipality allow connection of electric wire through the window that exposes people to serious risks? 4.2 What programmes does the municipality have to ensure that small businesses are sub-contracted? 4.3 What is the total cost of the project and how much was spent on sub-contractors? 4.4 Why did the municipality dictate to the sub-contractor the places to purchase material that finally led to him withdrawing from the project?	TECHNICAL SERVICES 4.1 The cable was found prior to construction, which was tested by the Contractor and was found not to be live, and was left as is and it does not pose any danger. 4.2 NDM sets aside 30% of all its infrastructure projects and ensures that sub-contractor(s) in the local area and/ or ward benefit from the 30% by making sure the contractor conducts the appointments accordingly. This 30% is also inclusive of the material that is procured locally, and the plant/ machinery that is sourced from local owners by the main contractor. 4.3 R 23 001 390.00 is the total project cost, and R 125 000.00 was spent on sub-contractor prior to their withdrawal from the project. 4.4 There was nothing dictated to the sub-contractor by Nkangala District Municipality. The sub-contractor was the one informing the project	Was the 30% target met in all the projects? If NOT what were the reasons?	

	team that the material is only available overseas, which was not the case as the main contractor was able to source it locally (in South Africa), and when such advise was given to him, he decided to withdraw from the project.	
5. Upgrading of Klarinet Ext 2,3 and Pine Ridge Sewer 5.1 What processes are followed by NDM when implementing the projects to ensure all stakeholders are taken on board?	TECHNICAL SERVICES 5.1 Social Facilitators are part of the project team, and their key responsibility is to promote and maintain a spirit of mutual trust, understanding and co-operation between all role players and stakeholders in respect of the project. Furthermore, they: • Mobilize communities around programs and projects for their support and participation, • Empower community members with information to actively participate and take ownership of their development, and • Create an enabling environment for effective implementation of development initiatives or projects at community level. 5.2 This was unfortunate oversight on the part of Technical Services, as PSC's ore to be in place for all projects under implementation, for ease of project stakeholder engagement. 5.3 Part of the terms of reference of the Consulting Engineers during construction is to act as an Agent of the Employer in terms of	The response is contrary to the observation and findings of MPAC, eg. Dust not suppressed, pits not cordoned off and employees not supplied with PPEs. See pictures. How do you reconcile
5.2 What are the reasons why Project Steering Committees were not established where projects are implemented? 5.3 What safety mechanisms are put in place to ensure that people are not exposed to		

this? Nothing is said about actions taken against service providers who do not comply to OHS regulations)		environmental hazards and other risks during implementation of projects?
Occupational Health and Safety Construction Regulations, Occupational Health and Safety Act. These services are usually sub-consulted to OHS Specialists by Consulting Engineers, who then come to site on a regular basis to ensure that the Contractors Health and Safety file is up to date, and that the Contractors Safety Officer is complying with the above-mentioned act. Furthermore is what we call tool box talks, which are conducted two odd days in a week, prior to commencement of work on site. Different topics OHS topics are covered, and workers are schooled on the do's and don'ts in that regard. One can never downplay the importance of safety on site.		
5.4 Yes they are checked, and the responsibility lies with the Consulting Engineer appointed by the District Municipality, who Acts as an Agent of the District Municipality.	5.4 Do all service providers' safety files checked by the municipality and who is responsible to do that?	
5.5 Any service provider or employee (labour) appointed by the service provider that does not conform to OHS regulations is not allowed to access site by the Health and safety Officer. The onus of conforming to safety regulations lies with the worker, as the principle of no work no pay due to negligence will apply. All workers are issued with PPE by the Contractor, thus they must wear PPE at all times.	5.5 How does the municipality deal with service providers who do not comply with health and safety regulations, including provision of protective clothing to their employees?	
TECHNICAL SERVICES 6.1 The sewer line and manholes were correctly placed in the servitude where the survey was	6. Upgrading of Pap and Vleis Outfall Sewer 6.1 Why did the municipality built manholes in the yards of community members?	

6.2 What risks does this manholes have to the people in those yard and how is the municipality going to address them if any?	conducted, however some residents decided to extend their boundaries of their stands without following due processes. 6.2 The risk is minimal as there is no access to the manholes (internally) provided to the residents, and the residents have given assurance that access to the yards will be given to the Maintenance team of Emalahleni LM as and when required. The municipality maintain servitudes to ensure access to the stands.	
6.3 How is the municipality ensuring that Main Contractors pay invoices to the sub- contractors to avoid a situation where small businesses are kept out of business?	Technical 6.3 Subcontracting agreements exist between the main and the subcontractor The municipality encourages main contractors to pay subcontractors on time this stems In the event that there are payment challenges we give the main contractor and sub-contractor the option of direct payments to the sub-contractor from the municipality	

MPAC QUESTIONS TO MAYORAL COMMITTEE AND MANAGEMENT BASED ON THE AUDITED ANNUAL REPORT FOR 2018/2019 FY

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
1. The municipality has attained clean audit opinion in the 2018/19 financial year. What are the key issues that could have contributed towards the municipality attaining the Clean Audit?	ALL DEPARTMENTS	1. Improve internal control systems Assurance provide by oversight structures and assurance providers Comprehensive action plan on issues raised by AG in 2017/18 Improved relationship with AG	Noted
2. What plans do you have in place to ensure that the municipality does not regress?	ALL DEPARTMENTS	2. Comprehensive action plan for 2018/19 AG issues raised. Team work as NDM 2. PED: the Department will review all EPWP supporting documents by Midyear and do another review in June to ensure that we have correct supporting documents. To assures that there is an alignment of the SDBIP, Annually Performance report to avoid any under or over reporting of all Departmental KIPs	Noted
3. What challenges or risks have you identified during the 2018/19 preparation of AFS and audit process that you think would need urgent attention?	FINANCE	3. Fixed asset register, review of useful life's Slow implementation of Internal Audit findings by departments/units Submission of POE for performance not reconciled to indicators	How are intending to mitigate these risks?
4. The Auditor-General raised the following "Emphasis of matters": (a) Underspending of the Budget	FINANCE	a) Ag raised the issue and it was due to the re-adverts for the local content issue, however it amounts to 9% which are in the norm of the allowed 10%	

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
b) Restatement of corresponding figures c) Irregular Expenditure 4.1. Can you explain why and how each of the above happened?		b) The restatement of corresponding amounts were due to the issue raised by AG on the unbundling of the ICT system in 2017/18 and of which NDM was correct and had to adjust the figures as changed during the audit of 2017/18 c) From now on the AG will raise any irregular expenditure as a matter of emphasis. The irregular expenditure was identified and are taken through the processes as required and was disclosed in note 44 and still awaiting the finalisation of investigation by Council Committees.	Was this a new irregular expenditure or something previously raised? Why was the irregular expenditure of R330 825.00 not identified and dealt with appropriately before submission of the AFS?
4.2 Who is the municipal official or any other person responsible for the above? 4.3 Why was the irregular expenditure of R330 825.00 not identified and dealt with appropriately before submission of the AFS?	FINANCE	As responded above	
5. Did the municipality use any consultants during the preparations of the AFS and if YES, why?	FINANCE	No, we only use consultants to review the AFS	

6. In case the municipality used consultants how much was the paid to them for their work?	FINANCE	R 450 000 for the review of AFS		
QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS	
7. During the MPAC meeting on the 30 January 2020, the Auditor-General present report about the local municipalities within the District which shows that the locals are not performing well.	NONE			
8. What interventions do you suggest the District may make to assist improve the situations in the local municipalities?	MUNICIPAL ACCOUNTANT	8. 1 Development and review of internal controls 8.2 Capacitation of Support unit with human capital and budget availability 8.3 Capacitation of municipalities personnel with Accounting standards 8.4 Advice municipalities to enhance Finance departments with relevant qualified personnel(review of organograms) 8.5 Municipalities to be held account for non- Implementation of recommendations made by IGR structures by municipalities 8.6 Municipalities be advised to establish a AFS/ Audit team 8.7 Review of AG actions plans and prioritize issues that lead to qualifications and resource them accordingly. 8.9 municipalities must do capacity assessment and if results show that there		

QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
		is lack of capacity, municipality must procure expertise on time rather than to wait during the preparation of AFS. 8.10 SLA with service providers must include capacity building and service providers must be monitored 8.11 Municipalities should take ownership of documentation especially when a service provider has been appointed to performed certain functions 8.12 Reconciliations must be done at least on a monthly basis and be aligned to financial systems e.g asset register to financial system, bank reconciliation, etc 8.13 municipalities should try to integrate functions and systems e.g traffic fines Vs Revenue, valuation roll to asset register to revenue 8.14 capacitation of sec 79 committees to play oversight role	
9. The investment that the Municipality has, is for a long term or short term? 9.1 Can we be provided surety on this investments?	FINANCE	The investment portfolio consist of long-term and short-term investments as end June 2019 ST = R422,397,082.30 LT = R54,004,297.13	

9.2 Can you also in a table form show the amounts you opened the investments with, how far is it now and the interest?		Table for 30 June 2019 and currently attached.	
10. Has the action plan been implemented to fast-track the findings of AG?	FINANCE	The action plan has been implemented. Out of 40 issues raised in the 2017/18 audit, 37 matter were resolved with the exception of the issues relating to Irregular	MPAC RECOMMENDATIONS/COMMENTS
QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	
	FINANCE	Expenditures which were still under investigations. Yes an action plan was developed for 2018/19 and the progress of the implementation are reported on a monthly basis	
11. There is a finding of Performance information not being accurate. How did management allow the information to be presented to AG without being checked?	PMS	11. The SDBIP required that under the KPA Local Economic Development, two reports were required in terms of KPI's, these reports were duly submitted and stated in the annual performance report. AG found that in examining council reports that there were actually three reports and therefore suggested that there was underreporting hence recommended for amendment for the additional report. In future we shall ensure that we review, over and above what was required, all	

			submitted reports where there was overachievement.	
12. Is there any re-occurrence of findings from AG's report? If yes, What measures are you putting in place to make sure there is no Re-occurrence of Findings in the next financial year?	FINANCE		The misstatement of POE in APR	
QUESTIONS	RESPONSIBLE DEPARTMENT/ UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS	
13. Can you clarify this, on the report you say there is 100% spent on the Finance management grant but you also mentioned again that you have vacancies of interns in finance. How was the grant spent if you still have vacancies?	FINANCE		13. The grant amounts to R1 250 000 and interns as well as systems are financed from the grant. The grant only partially finance these activities and therefore we will be on 100%	
14. Why was the asset register not reviewed?	FINANCE		14. The asset register is reviewed by the Divisional Manager Treasury and Assets, the Manager Finance, the CFO, Internal Audit and the Audit committee before submission.	Noted
Page 78 – AFS Note 45 on PAYE and UIF	FINANCE			Who was the responsible official?

15. Why does it not agree with supporting documents?		15. There was an oversight in terms of the supporting schedule submitted with AFS	
16. Who is the Champion of the revenue strategy? Provide the timelines of the review.	FINANCE/MIM OFFICE		Why is this question not responded to?
17. On the acceleration plan that was presented, were there any projects that were rolled over? How many were they?	TECHNICAL SERVICES		Full report presented (See copies attached)
QUESTIONS	RESPONSIBLE DEPARTMENT/UNIT	RESPONSES	MPAC RECOMMENDATIONS/COMMENTS
18. What bank cards do we have as a municipality? Who uses them and for what?	FINANCE	The municipality don't use bank cards only fleet cards for the vehicles	Who use those fleet cards and how are they monitored to ensure they are not abused?
19. Is there any Service Provider who was fined due to submitting invoices late according to the resolution taken?	FINANCE	No	Why?
20. How much are we generating on selling tenders?	FINANCE	For 2018/10 financial year it was R619 778.85	Noted
21. Have the municipality implemented the tender portal? Is it	FINANCE	The municipality make use of the government e-tender advertisement for	Noted

effective? Are our officials trained on it?		projects. Service providers can download the tender documents free of charge. Responsible SCM officials were trained. The municipality however also procured an electronic tender system which is under the process of implementation and training is currently taking place before the final handover can be done which is anticipated to take place next month in March 2020.	
--	--	--	--

Comments by Speaker

The Speaker thanked everyone who attended the meeting and indicated that the growth of the municipality is depended on their collective wisdom. He encouraged the MPAC members to work extra hard and accept challenges they meet because it was the nature of such committee to be hated by people because they ask difficult questions. He emphasised that it is the responsibility of the MPAC to hold the Executive to account, and that the MPAC must push the executive to ensure that even minor issues get attention. He encouraged the Mayoral Committee and Management to attend to the technical errors in the report but warned the meeting that council have taken a resolution to go green, therefore the issue of hard copies must be discouraged. He further emphasized the need for the municipality to pay more attention to the revenue enhancement strategy and ensure that the municipality is sustainable. He indicated to the Mayoral Committee and Management that there would be no acceptable reason for them not to implement council resolutions and that, municipal officials should know that signing of performance contract is non-negotiable. He closed by encouraging the members to continue working together.

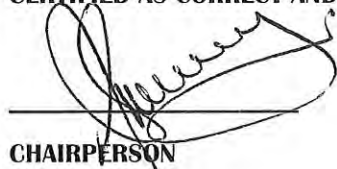
e) Closure

The Chairperson thanked everyone and indicated that since the Speaker had already given a final instruction he could not say anything further.

MEETING TERMINATED AT 14H30

CERTIFIED AS CORRECT AND SIGNED BY CHAIRPERSON ON

21/02/2020


CHAIRPERSON

