

**THEMBISILE HANI LOCAL  
MUNICIPALITY**



**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
OVERSIGHT REPORT ON THE  
ANNUAL REPORT – 2015/16 FINANCIAL YEAR**

**23/03/2017**

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**(i) ANNEXURES ATTACHED**

- |                   |  |
|-------------------|--|
| <b>ANNEXURE A</b> | MPAC MINUTES ON PROBING OF THE ANNUAL REPORT   |
| <b>ANNEXURE B</b> | PORTFOLIO OF EVIDENCE (POE) ON ANNUAL REPORT PROCESSES   |
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## **(ii) LIST OF ABBREVIATIONS USED**

AFS	ANNUAL FINANCIAL STATEMENTS
AG	AUDITOR GENERAL
AGSA	AUDITOR GENERAL SOUTH AFRICA
AO	EXECUTIVE MAYOR
AR	ANNUAL REPORT
COGTA	DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
IDP	INTEGRATED DEVELOPMENT PLAN
IMATU	INDEPENDENT MUNICIPAL AND ALLIED TRADE UNION
MFMA	MUNICIPAL FINANCE MANAGEMENT ACT
MM	MUNICIPAL MANAGER
MPAC	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
MSA	MUNICIPAL STRUCTURES ACT
POE	PORTFOLIO OF EVIDENCE
SAMWU	SOUTH AFRICAN MUNICIPAL WORKERS' UNION
SCOPA	STANDING COMMITTEE ON PUBLIC ACCOUNTS
SDBIP	SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
THLM	THEMBISILE HANI LOCAL MUNICIPALITY



## 1. INTRODUCTION

In accordance with the provisions of Section 79(1) (a) of the Municipal Structures Act, no 117 of 1998 a municipality may establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers.

The Municipal Public Accounts Committee (MPAC) of Thembisile Hani Local Municipality was established by council through council resolution TH-NDC 23/06/2011 on the 29th of June 2011.

MPAC mandate is to assist Council to hold the executive accountable and ensure the effective and efficient use of municipal resources.

## 2. PURPOSE

The MFMA provides that the purpose of the annual report of a municipality or a municipal entity for each financial year is:

- to provide a record of activities;
- to provide a report on performance against the budget; and
- to promote accountability to the local community for decisions made throughout the year.

The Municipal Systems Act (MSA) provides that an Annual Performance Report must be prepared for each financial year to report on the performance of the municipality and each external service provider, compared with targets set for performance.

The annual report requirements are provided in Chapter 12 of the Municipal Finance Management Act (MFMA), sections 45 and 46 of the MSA and the annual Division of Revenue Act (DoRA).

Section 129 of the Municipal Public Finance Management Act no. 56 of 2003 requires the council of a municipality to consider the annual report of the municipality, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council—

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

The purpose of this report is therefore to table to council, the MPAC Oversight Report on the probing of Thembisile Hani Local Municipality Annual Report 2015/2016 for council consideration and adoption. Further this report serves to inform the local community on

whether the public money has been used ideally and for the purposes intended and to hold the executive accountable for all decisions made throughout the year.

### 3. ACCOUNTABILITY FRAMEWORK FOR LOCAL GOVERNMENT

It is significant to have some understanding of the responsibility framework for municipalities in order to correctly comprehend the role of the Oversight Report as distinct from that of the Annual Report and any other reports required from the municipality. The following table displays the nature of the culpability framework for local government:

	Responsible for	Oversight over	Accountable to
Council	Approving for policy and budget	Mayor & Executive Committee	Community
Mayor & Executive Committee	Policy, budget, outcomes,	Municipal manager	Council
Municipal Manager	Outputs and implementation	Administration	Mayor & Executive Committee (Council)
Chief Financial Officer and Senior Manager	Outputs and Implementation	Financial management and operational functions	Municipal Manager

### 4. THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OF THLM

MPAC Thembisile Hani Local Municipality was established on the 29 July 2011 in terms of section 79 of the Municipal Structures Act, No. 117 of 1998. Our MPAC comprise of non-executive councillors of various political parties and a chairperson was chosen from amongst them.

MPAC Thembisile Local Municipality compose of the following members of councillors as appointed by council through council resolution TH-NDC 75/10/2016 on the 25<sup>TH</sup> OCTOBER 2016:

Members	
1. Clr. Mzwandile Obed Sikosana	Chairperson
2. Clr. Marcia Msiza	
3. Clr. Mitopi Andries Motena	



4. Clr. Samuel Bongani Mogoboya
5. Clr. Laza Elsie Jiyane
6. Clr. Ntombi Mitta Motaung
7. Clr. Patrick Vusi Mahlangu
8. Clr. Rubber Mtsweni
9. Clr. Adelaide Mkwana
10. Clr. Mqosh Paulos Mashaba
11. Clr. Jan Masaka Makhubela

## 5. FUNCTIONS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

- To assist council to hold the executive and municipal entities to account, and to ensure the effective and efficient use of municipal resources.
- MPAC in executing its roles on oversight function it does not duplicate other committees of council.
- It report directly to council through the speaker of the municipality and interface with the other committees of council through the speaker, where relevant.
- It is entitled to request for documents or evidence from the Executive Mayor of a municipality or a municipal entity and can request support of both the internal and external auditors (advisory) where necessary.
- To consider and evaluate the content of the annual report and to make recommendations to council when adopting an oversight report on the annual report, current in-year reports, and including quarterly and mid-year reports.

## 6. SUMMARY OF REPRESENTATIONS RECEIVED FROM THE COMMUNITY AND OTHER STAKEHOLDERS

The following table reflects the key written representations received from the respective bodies/individuals relating to the Annual Report:

Representation Submitted by:	Key Issues Raised
Auditor General	Attached under Annexure D
Audit Committee	Attached under Annexure D
Public Comments	None
SAMWU	None
IMATU	None
Other Spheres of Government	None

The Municipal Public Accounts Committee has noted with concern that there is lack of representations in respect of the Annual Report from various stakeholders and from the community at large.

MPAC therefore recommends that when the municipality publicise and distribute the Annual Report for public comments, local organizations for example; SANCO, SADTU, NGO, NPO within the THLM jurisdiction be provided with the copies of the AR so that they can make comments if they so wish.

## **7. ANNUAL REPORT CONSULTATION PROCESSES**

**MPAC confirm the following annual report processes and the Portfolio is hereto attached as ANNEXURE B:**

- a) The Draft Annual Report was tabled to council in terms of Section 127(2) on the on the 29<sup>th</sup> January 2016.
- b) An official notice inviting the public to submit representations in terms of Section 127(5)(a) was placed in the Sowetan newspaper on the 3<sup>rd</sup> February 2017. Further copies of the Annual Report were made available for community perusal at the Municipal Satellite offices, libraries and offices viz, Verena Library, Municipality Head Quarters Library, Tweefontien K Satellite Office, Kwamhlanga Satellite office, Licensing Department, Reception desk in new and old buildings of the municipality on the 02/02/2017.
- c) After the Draft Annual Report was tabled before council in January, copies of the report were forwarded to the following provincial departments as required by Section 127(5)(b) of the MFMA:
  - I. Provincial Treasury (No comments were received)
  - II. National Treasury (No comments were received)
  - III. Provincial COGTA (No comments were received)
  - IV. Provincial Legislature (No comments were received)
  - V. Auditor General (No Comments were received)
- d) The report was also submitted to the Audit Committee for representations.



## 8. MPAC OVERSIGHT PROCESSES ON THE 2015/2016 ANNUAL REPORT

- a) In order to carry out its oversight function on the Annual Report, MPAC has developed an Oversight Process Plan (Calendar) as outlined hereunder. The plan was approved by council through council resolution TH-NDC 131/01/2017.



### AMENDED MPAC OVERSIGHT PROCESS PLAN ON THE THLM ANNUAL REPORT 2015/2016

1.	ACTIVITY		TO ATTEND/SUPPORT	DATE
	MPAC Probe the Annual Report and develop questionnaires	<b>Day 1:</b> <ul style="list-style-type: none"> <li>• <b>CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY and Development of Questions</b></li> <li>• <b>CHAPTER 2 – GOVERNANCE and Development of Questions</b></li> <li>• <b>CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS and Development of Questions</b></li> </ul>	Chief Risk Officer, Chief Internal Auditor and Asst Manager PMS and Auditor General South Africa	15 February 2017
		<b>Day 2:</b> <ul style="list-style-type: none"> <li>• <b>CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I) and Development of Questions</b></li> </ul>	Chief Risk Officer, Chief Internal Auditor and Asst Manager PMS	16 February 2017
		<b>Day 3:</b> <ul style="list-style-type: none"> <li>• <b>CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE and Development of Questions</b></li> <li>• <b>CHAPTER 5 – FINANCIAL PERFORMANCE and Development of Questions</b></li> <li>• <b>AUDIT ACTION PLAN and Development of Questions</b></li> <li>• <b>CONSIDERATION OF AUDIT COMMITTEE COMMENTS, PUBLIC COMMENTS, COUNCIL COMMENTS ON THE ANNUAL REPORT.</b></li> <li>• <b>ADOPTION OF THE QUESTIONNAIRE PROBING THE ANNUAL REPORT</b></li> </ul>	Chief Risk Officer, Chief Internal Auditor, Asst Manager PMS	17 February 2017

2.	<i>Submission of the Questionnaire to the office of the Accounting Officer</i>	None	20 February 2017
3.	<i>Submission of the responses by Accounting Officer to MPAC office</i>	None	01 March 2017
4.	<i>MPAC Special Meeting – Discussion of Responses from the Accounting Officer</i>	Chief Risk Officer, Chief Internal Auditor	04 14 March 2017
5.	<i>MPAC Special Meeting – Hearing with the Accounting Officer</i>	Accounting Officer	09 16 March 2017
6.	<i>MPAC Special Meeting – Consolidation, adoption and submission of the oversight report to the office of the speaker for tabling to the council.</i>	MPAC	15 23 March 2017
7.	<i>Public Hearing/Open Parliament between the Council and the Accounting Officer on the Annual Report</i>	Council, Management, Auditor General and the Public	28 March 2017

- b) The Municipal Public Accounts Committee (MPAC) probed the municipality's 2015/2016 Annual Report on the 15<sup>th</sup>, 16<sup>th</sup> and 17<sup>th</sup> February 2017.
- c) During the probing of the report, MPAC benefited from a briefing by the Provincial Auditor General on the Municipality's audit outcome – the briefing was on the 15<sup>th</sup> February 2017.
- d) Based on robust discussion through commissions, MPAC formulated a questionnaire on the Annual Report for the Accounting Officer to respond to in writing within a reasonable time.
- e) On the 16<sup>th</sup> of March 2017, MPAC held a hearing with the Accounting Officer to verify and confirm the authenticity of the written responses and to further raise follow-up questions where it was necessary.
- f) During the hearing MPAC resolved that the AO be given an opportunity to make corrections to the report as per committee recommendations.

## 9. PROBING METHODOLOGY

In probing the Annual Report the committee agreed to make use of the following documents to execute its mandate in order to ensure effective and efficient outcomes:

- a) The Municipality's Annual Report for the year under review
- b) The Municipality's IDP for the year under review
- c) The Municipality's SDBIP for the year under review
- d) MFMA Circular 63

## 10. OBSERVATIONS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON THE ANNUAL REPORT

- a) The Municipal Public Accounts Committee having considered the Draft Annual Report 2015/16 financial year has observed that the report was prepared in terms of the National Treasury's MFMA Circular 63.



## **11. MPAC COMMENTS ON THE ANNUAL REPORT**

1. **THAT** the picture of the omitted picture of the MMC for Technical Services in the report be inserted.
2. **THAT** in the future the pictures be taken well in advance and archived so that they can be used when need arise in the future.
3. **THAT** a budgeted municipal maintenance plan for high mast lights and street lights be developed and implemented - as the AO will be developing the Maintenance Plan, it is further recommended that the workforce be sufficient to address the workload on the plan as provided.
4. **THAT** MPAC has observed with concern the inadequacy on the alignment of the a) baseline, b) revised annual target and c) actual performance under PMU on **page 152** of the Annual Report it there recommends that in future the AO must ensure that the Annual Report is properly edited and it be a quality product.
5. **THAT** the council be advised to charge a service fee for issuing proof of residence document and that in implementing this resolution it is further recommended that the municipality collects and capture accurate and correct data of House Holds.
6. **THAT** in future the MPAC will appreciate to receive a report from the AO on the UIFW before the report is referred to MPAC for further investigation.
7. **THAT** the municipal manager consider appointing additional support personnel in PMS unit to enhance effectiveness and efficiency in the unit.
8. **THAT** pending the budget for 2017/18, the assistant manager communications be allocated the responsibility to manage presidential Hotline as part of his/her duties so that the Hotline services can be discharged.

## **12. MPAC RECOMMENDATIONS TO COUNCIL**

1. **THAT** MPAC having fully considered Thembisile Hani Local Municipality's Draft Final Annual Report for the financial year 2015/16 and the Draft Oversight Report, adopts the oversight report; and approve the Final Draft Annual Report without reservations.

2. **THAT** the oversight report be made public in accordance with Section 129(3) of the Municipal Finance Management Act, no. 56 of 2003 read with Section 21A of the Municipal Systems Act, no. 32 of 2000.
3. **THAT** the Annual Report and the Oversight Report of Thembisile Hani Local Municipality 2015/2016 be submitted to the provincial legislature within 7 days after the adoption by the municipal council, as required by Section 132(2) of the Municipality Finance Management Act, 56 of 2003.



**CLR M.O SIKOSANA  
MPAC CHAIRPERSON**

**23 March 2017**

# **ANNEXURE A**

## **MINUTES OF MPAC MEETINGS ON PROBING OF THE ANNUAL REPORT**



REF.: 3/2/4/3

**THEMBISILE HANI LOCAL MUNICIPALITY**



# MINUTES

**OF THE 4<sup>TH</sup> 2016/17 ORDINARY MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
MEETING HELD ON THE 15 – 17 FEBRUARY 2017 AT ZITHABISENI HOLIDAY  
RESORT**





## ATTENDANCE

PRESENT		
Day 1 – (15/02/2017)	Day 2 – (16/02/2017)	Day 3 (17/02/2017)
Clr. MO Sikosana	Clr. MO Sikosana	Clr. MO Sikosana
Clr. SB Mogoboya	Clr. SB Mogoboya	Clr. SB Mogoboya
Clr. LE Jiyane	Clr. LE Jiyane	Clr. LE Jiyane
Clr. NM Motaung	Clr. NM Motaung	Clr. NM Motaung
Clr. M Msiza	Clr. M Msiza	Clr. M Msiza
Clr. PV Mahlangu	Clr. PV Mahlangu	Clr. PV Mahlangu
Clr. R Mtsweni	Clr. R Mtsweni	Clr. R Mtsweni
Clr. JM Makhubela	Clr. JM Makhubela	Clr. JM Makhubela
Clr. A Mokwena	Clr. A Mokwena	Clr. A Mokwena
Clr. MP Mashaba	Clr. MP Mashaba	Clr. MP Mashaba

ABSENT		
Day 1 – (15/02/2017)	Day 2 – (16/02/2017)	Day 3 (17/02/2017)
Clr. MA Motena	Clr. MA Motena	Clr. MA Motena

## OFFICIALS PRESENT

Day 1 – (15/02/2017)	Day 2 – (16/02/2017)	Day 3 (17/02/2017)
<b>KO Bapela</b> – Asst Manager MPAC Researcher, Monitoring and Evaluation	<b>KO Bapela</b> – Asst Manager MPAC Researcher, Monitoring and Evaluation	<b>KO Bapela</b> – Asst Manager MPAC Researcher, Monitoring and Evaluation
<b>TE Baloyi</b> – Chief Risk Officer	<b>TE Baloyi</b> – Chief Risk Officer	<b>TE Baloyi</b> – Chief Risk Officer
<b>AS Malope</b> – Chief Audit Executive	<b>AS Malope</b> – Chief Audit Executive	<b>AS Malope</b> – Chief Audit Executive
<b>KS Moripe</b> – Ass. Manager PMS	<b>KS Moripe</b> – Ass. Manager PMS	<b>KS Moripe</b> – Ass. Manager PMS
<b>HB Diphofa</b> – MPAC/AC Secretary	<b>HB Diphofa</b> – MPAC/AC Secretary	<b>HB Diphofa</b> – MPAC/AC Secretary

## EXTERNAL STAKEHOLDERS

Day 1 – (15/02/2017)	Day 2 – (16/02/2017)	Day 3 (17/02/2017)
<b>Mr D Radebe</b> – AG Senior Auditor Mpumalanga Province	None	None



## **1. OPENING AND WELCOME**

The chairperson of the committee, Hon. Clr MO Sikosana opened the meeting officially and welcome everyone to the meeting.

He acknowledged and appreciated the presence of Mr TE Baloyi (THLM – Chief Risk Officer) and Mr AS Malope (THLM – Chief Audit Executive) and Mrs KS Moripe (Assistant Manager PMS).

Mr. Bapela KO, MPAC Researcher, Monitoring and Evaluation read the notice to the house.

## **2. APPLICATION FOR LEAVE OF ABSENCE**

No applications for leave of absence were received.

## **3. OFFICIAL ANNOUNCEMENTS**

It was announced that Mr Daniel Radebe from AGSA would join the MPAC meeting around 11h00 to make an audit briefing to MPAC.

## **4. MOTION OF SYMPATHY AND CONGRATULATIONS**

None

## **5. DISCLOSURE OF INTEREST**

None

## **6. MINUTES OF THE PREVIOUS MEETINGS**

**6.1.** Minutes of the 3<sup>rd</sup> (2016/2017) Ordinary MPAC meeting held on the 20<sup>th</sup> December 2016

### **RESOLVED**

**THAT** the Minutes of the 3<sup>rd</sup> (2016/2017) Ordinary MPAC meeting held on the 20<sup>th</sup> December 2016 be adopted.

**Mover:** Clr PV Mahlangu

**Seconded:** Clr SB Mogoboya

**6.2.** Minutes of the 2<sup>nd</sup> (2016/2017) Special MPAC meeting held on the 08<sup>th</sup> February 2017





## **RESOLVED**

**THAT** the Minutes of the 2<sup>nd</sup> (2016/2017) Special MPAC meeting held on the 08<sup>th</sup> February 2017 be adopted.

**Mover:** Clr PV Mahlangu

**Second:** Clr. NM Motaung

### **7. QUESTIONS OF WHICH NOTICE HAD BEEN GIVEN**

None

### **8. MATTERS DEFERRED FROM THE PREVIOUS MEETING**

None

### **9. REPORTS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

**TH-MPAC 19/02/2017**



# Non-Delegated Items Index

ITEM NO.	SUBJECT
TH-MPAC 19/02/2017	MPAC PROBING OF THE THLM ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2016



**TH-MPAC 19/02/2017**

**MPAC PROBING OF THE THLM ANNUAL  
REPORT FOR THE YEAR ENDED 30 JUNE  
2016**

The committee probed the annual report from the first chapter to the last one. Observations were made and where necessary, the committee raised questions and developed a questionnaire for the Accounting Officer to respond. The committee also made some comments and recommendations on the annual report.

Mr. Daniel Radebe, the AG representative made a briefing on THLM audit outcomes; He explained the mandate of AG in South Africa

He explained that the AG's annual audit examines three aspects namely;

- a) Fair presentation and reliability of the financial statements
- b) Reliability and credible performance information for predetermined objectives
- c) and compliance with key legislation and financial and performance management

He explained the different audit opinions namely;

- a) Unqualified Opinion with no findings (Clean audit)
- b) Financially unqualified opinion with findings
- c) Qualified opinion
- d) Adverse opinion
- e) Disclaimed opinion

He informed the committee that Thembisile Hani Local Municipality's audit opinion for the financial year 2015/16 is a 'QUALIFIED OPINION'.

Mr Radebe cited that Thembisile Hani has a Three year trend overall stagnation in audit outcomes i.e. there is not improvement in the overall audit outcomes for the past 3 years and he added that the areas of qualification were Property, Plant and Equipment, and Commitments.

**RESOLVED**

- 1. THAT** the Thembisile Hani Local Municipality Draft Annual Report for 2015/16 financial year be noted.
- 2. THAT** report of the Auditor General on THLM audit outcomes for 2015/16 financial year be noted.
- 3. THAT** the MPAC Questionnaire be submitted to the Accounting Officer to respond within 7 working days wherein after MPAC will consider the responses and make follow-up questions were necessary.



## 10. DEPUTATIONS

None

## 11. MOTION

None

## 12. CLOSURE

The chairperson thanked everyone for attending the meeting and for the full participation during the session. The meeting was officially closed on the 17 February 2017.

Mr. MO SIKOSANA  
(MPAC CHAIRPERSON)

23 March 2016  
DATE







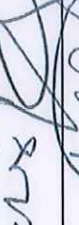




DAY 1

THEMBISILE HANI LOCAL MUNICIPALITY

4<sup>TH</sup> Ordinary Municipal Public Accounts Committee 2016/17 Venue: Zithabiseni Holiday Resort

Date: 15 February 2017

	NAME	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT DETAILS
1.	Clr. Mzwandile Obed Sikosana	MPAC Chairperson		e-mail: ommzwndile@gmail.com / sikosanao@thembisilehanim.gov.za Tel: 079 031 2227
2.	Clr. Marcia Msiza	MPAC member		e-mail: marcethandiwe@gmail.com Tel: 082 746 9944
3.	Clr. Mitopi Andries Motena	MPAC member	ABSENT	e-mail: Tel: 0722442785/0744361781
4.	Clr. Samuel Bongani Mogoboya	MPAC member		e-mail: Tel: 071 438 5694
5.	Clr. Laza Elsie Jiyane	MPAC member		e-mail: layzajiyane77@gmail.com Tel: 072 407 0423
6.	Clr. Ntombi Mitta Motaung	MPAC member		e-mail: motaung.mitta@gmail.com Tel: 072 290 3386
7.	Clr. Patrick Vusi Mahlangu	MPAC member		e-mail: pvvonty@hotmail.co.za Tel: 072 420 8514
8.	Clr. Rubber Mtsweni <i>Rubbs &amp; Mtsweni</i>	MPAC member		e-mail: rubber.mtsweni@gmail.com Tel: 073 659 5200 / 072010218
9.	Clr. Mqosh Paulos Mashaba	MPAC member		e-mail: — Tel: 072 7378 290
10.	Clr. Jan Masaka Makhubela	MPAC member		e-mail: masakajan@gmail.com Tel: 071 299 3111

	NAME	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT DETAILS
11.	Clr. Adelaide Mokwena	MPAC member		e-mail: <a href="mailto:adelaide.mokwena@gmail.com">adelaide.mokwena@gmail.com</a> Tel: 073 105 1959/079 679 5044
12.	K.S. Moripe	Assistant Manager FMS		e-mail: <a href="mailto:MoripeS@kwaZuluNatal.gov.za">MoripeS@kwaZuluNatal.gov.za</a> Tel: 013 19869123
13.	K.O. Bapela	MPAC member		e-mail: <a href="mailto:kobapela@kwaZuluNatal.gov.za">kobapela@kwaZuluNatal.gov.za</a> Tel: 013-986913440
14.	H.B. Diphotoa	MPAC/AC SECRETARY		e-mail: <a href="mailto:hbdiphotoa@kwaZuluNatal.gov.za">hbdiphotoa@kwaZuluNatal.gov.za</a> Tel: 0800358507
15.	H.B. Diphotoa	CRO		e-mail: <a href="mailto:hbdiphotoa@kwaZuluNatal.gov.za">hbdiphotoa@kwaZuluNatal.gov.za</a> Tel: 0800358507
16.	AS Maiope	CAE		e-mail: <a href="mailto:MaiopeA@kwaZuluNatal.gov.za">MaiopeA@kwaZuluNatal.gov.za</a> Tel: 013 986 9167
17.	S. Raseke	AGIS		e-mail: <a href="mailto:rasekes@kwaZuluNatal.gov.za">rasekes@kwaZuluNatal.gov.za</a> Tel: 0798865497
18.				e-mail: Tel:
19.				e-mail: Tel:
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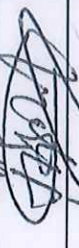



DAY 2

THEMBELESILE HANI LOCAL MUNICIPALITY

4<sup>TH</sup> Ordinary Municipal Public Accounts Committee 2016/17 Venue: Zithabiseni Holiday Resort

Date: 16 February 2017

	NAME	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT DETAILS
1.	Clr. Mzwandile Obed Sikosana	MPAC Chairperson		e-mail: ommzwndile@gmail.com / sikosanao@thembelesilehanilm.gov.za Tel: 079 031 2227
2.	Clr. Marcia Msiza	MPAC member		e-mail: marcthandiwe@gmail.com Tel: 082 746 9944
3.	Clr. Mitopi Andries Motena	MPAC member		e-mail: Tel: 0722442785/0744361781
4.	Clr. Samuel Bongani Mogoboya	MPAC member		e-mail: mthurei@gmail.com Tel: 071 438 5694
5.	Clr. Laza Elsie Jiyane	MPAC member		e-mail: layzajiyane77@gmail.com Tel: 072 407 0423
6.	Clr. Ntombi Mitta Motaung	MPAC member		e-mail: motaung.mitta@gmail.com Tel: 072 290 3386
7.	Clr. Patrick Vusi Mahlangu	MPAC member		e-mail: pvvonty@hotmail.co.za Tel: 072 420 8514
8.	Clr. Rubber Mtsweni	MPAC member		e-mail: rubber.mtsweni@gmail.com Tel: 073 659 5200
9.	Clr. Mqosh Paulos Mashaba	MPAC member		e-mail: Tel: 072 7378 290
10.	Clr. Jan Masaka Makhubela	MPAC member		e-mail: masakajan@gmail.com Tel: 071 299 3111

	NAME	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT DETAILS
11.	Clr. Adelaide Mokwena	MPAC member		e-mail: Tel: 073 105 1959/079 679 5044
12.	K-S Mosipe	Assistant Manager PMS		e-mail: morjess@theunisilekuni.mg.ac.za Tel: 073 393 5552
13.	HB Diphotoa	MPAC / AC SEC.		e-mail: diphotoa@theunisilekuni.mg.ac.za Tel: 071 34661029
14.	LO Bapela	MPAC Researcher		e-mail: Tel:
15.	J. Buleyi	CRD		e-mail: buleyi@theunisilekuni.mg.ac.za Tel: 082 3358527
16.	AS Malope	CAE		e-mail: malope@theunisilekuni.mg.ac.za Tel: 013 9869167
17.				e-mail: Tel:
18.				e-mail: Tel:
19.				e-mail: Tel:
20.				e-mail: Tel:
21.				e-mail: Tel:
22.				e-mail: Tel:
23.				e-mail: Tel:
24.				e-mail: Tel:
25.				e-mail: Tel:





DAY 3







THEMBELESILE HANI LOCAL MUNICIPALITY

Venue: Zithabiseni Holiday Resort

4<sup>TH</sup> Ordinary Municipal Public Accounts Committee 2016/17

Date: 17 February 2017

	NAME	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT DETAILS
1.	Clr. Mzwandile Obed Sikosana	MPAC Chairperson		e-mail: ommzwndile@gmail.com / sikosanao@thembelesilehlanim.gov.za Tel: 079 031 2227
2.	Clr. Marcia Msiza	MPAC member		e-mail: marcthandiwe@gmail.com Tel: 082 746 9944
3.	Clr. Mitopi Andries Motena	MPAC member		e-mail: Tel: 0722442785/0744361781
4.	Clr. Samuel Bongani Mogoboya	MPAC member		e-mail: mthunzi.s@gmail.com Tel: 071 438 5694
5.	Clr. Laza Elsie Jiyane	MPAC member		e-mail: layzajiyane77@gmail.com Tel: 072 407 0423
6.	Clr. Ntombi Mitta Motaung	MPAC member		e-mail: motaung.mitta@gmail.com Tel: 072 290 3386
7.	Clr. Patrick Vusi Mahlangu	MPAC member		e-mail: pvvonty@hotmail.co.za Tel: 072 420 8514
8.	Clr. Rubber Mtsweni	MPAC member		e-mail: rubber.mtsweni@gmail.com Tel: 073 659 5200
9.	Clr. Mqosh Paulos Mashaba	MPAC member		e-mail: Tel: 072 7378 290
10.	Clr. Jan Masaka Makhubela	MPAC member		e-mail: masakkajan@gmail.com Tel: 071 299 3111

	NAME	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT DETAILS
11.	Clr. Adelaide Mokwena	MPAC member		e-mail: Tel: 073 105 1959/079 679 5044
12.	K.S. Morje	Assistant MPAC member		e-mail: morje@kwaZuluNatal.gov.za Tel: 073 34 3552
13.	J.E. Balyi	CPD		e-mail: mabai + @kwaZuluNatal.gov.za Tel: 073 35 8527
14.	H.B. Diphoti	MPAC Secretary		e-mail: diphoti@kwaZuluNatal.gov.za Tel: 071 3 46 4029 / 013 986 9132
15.	K.O. Bapela	MPAC Research		e-mail: Tel:
16.	A.S. Wloope	CAE		e-mail: mawloope@kwaZuluNatal.gov.za Tel: 013 986 9167
17.				e-mail: Tel:
18.				e-mail: Tel:
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REF.: 3/2/4/3

**THEMBISILE HANI LOCAL MUNICIPALITY**



# **MINUTES**

**OF THE 3<sup>TH</sup> 2016/17 SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
MEETING HELD ON THE 14 MARCH 2017 IN MUNICIPAL MANAGER'S  
BOARDROOM**



## **ATTENDACE**

### **PRESENT**

Clr. MO Sikosana  
Clr. MA Motena  
Clr. SB Mogoboya  
Clr. LE Jiyane  
Clr. NM Motaung  
Clr. M Msiza  
Clr. PV Mahlangu  
Clr. MP Mashaba  
Clr. A Mokwena  
Clr. R Mtsweni  
Clr. JM Makhubela

### **ABSENT**

None

### **OFFICIALS PRESENT**

KO Bapela – Asst Manager MPAC Researcher, Monitoring and Evaluation  
HB Diphofa – MPAC/AC Secretary





## **1. OPENING AND WELCOME**

The chairperson of the committee, Hon. Cllr MO Sikosana opened the meeting officially and welcome everyone to the meeting.

He requested the house to observe a moment of silence for meditations and prayers.

Mr. Bapela KO, MPAC Researcher, Monitoring and Evaluation read the notice to the house.

## **2. APPLICATION FOR LEAVE OF ABSENCE**

No applications for leave of absence were received.

## **3. OFFICIAL ANNOUNCEMENTS**

None

## **4. MOTION OF SYMPATHY AND CONGRATULATIONS**

One Motion of Sympathy and Congratulations was raised by Cllr PV Mahlangu in respect of the passing of a well-known farmer Ms Kabini who was living in Kwaggafontein A (Ward 29).

He appreciated the role the late Ms Kabini played as a small farmer in the village.

## **5. DISCLOSURE OF INTEREST**

None

## **6. MINUTES OF THE PREVIOUS MEETINGS**

None

## **7. QUESTIONS OF WHICH NOTICE HAD BEEN GIVEN**

None

## **8. MATTERS DEFERRED FROM THE PREVIOUS MEETING**

None

## **9. REPORTS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

TH-MPAC 20/03/2017 – 21/03/2017



# Non-Delegated Items Index

ITEM NO.	SUBJECT
TH-MPAC 20/03/2017	AMENDED MPAC OVERSIGHT PROCESS PLAN ON THE ANNUAL REPORT 2015/16
TH-MPAC 21/03/2017	ACCOUNTING OFFICER'S RESPONSES ON MPAC QUESTIONNAIRE PROBING THE ANNUAL REPORT 2015/2016



**TH-MPAC 20/03/2017**

**AMENDED MPAC OVERSIGHT PROCESS  
PLAN ON THE ANNUAL REPORT 2015/16**

**RESOLVED**

1. **THAT** the MPAC take cognizance of the Amended MPAC Oversight Process Plan on the Annual Report for the Financial Year 2015/2016.





**TH-MPAC 21/03/2017**

**ACCOUNTING OFFICER'S RESPONSES ON  
MPAC QUESTIONNAIRE PROBING THE  
ANNUAL REPORT 2015/2016**

**RESOLVED**

- 1. THAT the Accounting Officer's Responses on MPAC Questionnaire Probing the Annual Report 2015/16 be noted.**
- 2. THAT Municipal Public Accounts Committee's follow-up questions further probing the Annual Report be noted.**



## 10. DEPUTATIONS

None

## 11. MOTION

None

## 12. CLOSURE

The chairperson officially closed the meeting.

  
\_\_\_\_\_  
Mr. M. SIKOSANA  
(MPAC CHAIRPERSON)

23 March 2016  
DATE





THEMBE SILE HANI LOCAL MUNICIPALITY

3<sup>RD</sup> Special Municipal Public Accounts Committee 2016/17 Venue: Municipal Manager's Boardroom

Date: 14 March 2017

	NAME	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT DETAILS
1.	Clr. Mzwandile Obed Sikosana	MPAC Chairperson		e-mail: ommzwndile@gmail.com / sikosanao@thembe-sile-hani.m.gov.za Tel: 079 031 2227
2.	Clr. Marcia Msiza	MPAC member		e-mail: marcthandiwe@gmail.com Tel: 082 746 9944
3.	Clr. Mitopi Andries Motena	MPAC member		e-mail: Motenaandries@gmail.com Tel: 0722442785/0722442785
4.	Clr. Samuel Bongani Mogoboya	MPAC member		e-mail: mthunzi12@gmail.com Tel: 071 438 5694
5.	Clr. Laza Elsie Jiyane	MPAC member		e-mail: layzajiyane77@gmail.com Tel: 072 407 0423
6.	Clr. Ntombi Mitta Motaung	MPAC member		e-mail: motaung.mitta@gmail.com Tel: 072 290 3386
7.	Clr. Patrick Vusi Mahlangu	MPAC member		e-mail: pvvonty@hotmail.co.za Tel: 072 420 8514
8.	Clr. Rubber Mtsweni	MPAC member		e-mail: rubber.mtsweni@gmail.com Tel: 073 659 5200
9.	Clr. Mqosh Paulos Mashaba	MPAC member		e-mail: Tel: 072 7378 290
10.	Clr. Jan Masaka Makhubela	MPAC member		e-mail: masakkajan@gmail.com Tel: 071 299 3111



	NAME	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT DETAILS
11.	Clr. Adelaide Mokwena	MPAC member		e-mail: adee.mokwena69@gmail.com Tel: 073 105 1959/079 679 5044
12.	K.O. Bapena	MPAC member		e-mail: Tel: 013-9 806132
13.	HB Diphwisa	MPAC SECRETARY		e-mail: diphwisa66@bambusi.hairmail.co.za Tel: 013 98 69132
14.				e-mail: Tel:
15.				e-mail: Tel:
16.				e-mail: Tel:
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REF.: 3/2/4/3

**THEMBISILE HANI LOCAL MUNICIPALITY**



# MINUTES

**OF THE 4<sup>TH</sup> 2016/17 SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
MEETING HELD ON THE 16 MARCH 2017 IN MUNICIPAL COUNCIL CHAMBER**



## **ATTENDACE**

### **PRESENT**

Clr. MO Sikosana

Clr. SB Mogoboya

Clr. LE Jiyane

Clr. NM Motaung

Clr. M Msiza

Clr. PV Mahlangu

Clr. MP Mashaba

Clr. A Mokwena

Clr. R Mtsweni

### **ABSENT**

Clr. MA Motena

Clr. JM Makhubela

### **OFFICIALS PRESENT**

ON Nkosi – Municipal Manager

BB Sithole – Chief Financial Officer

SA Nxumalo – Manager Corporate Services

KO Bapela – Asst Manager MPAC Researcher, Monitoring and Evaluation

Katlego Mokwena – Assistant Manager IDP

KS Moriipe – Assistant Manager PMS

AS Malope – Chief Audit Executive

S Mashiyane – Ass Manager Communications

HB Diphofa – MPAC/AC Secretary





## **COMMUNITY MEMBERS**

Raseroka V.M – Admin and Corporate Committee Clerk, Dr. JS Moroka LM

Mathebe K.G – Admin and Corporate MPAC Support Staff, Dr. JS Moroka LM

Mtsweni MG – MPAC Chairperson, Dr JS Moroka LM

Mokolo Lucas – MPAC Support Staff, Dr JS Moroka LM

Msibi Amos – THLM member of council

Makhwiting James – MMC Technical Services

Mahlangu Johannes – Community members

Masombuka Elizabeth – Member of community, Kwaggafontein A



## **1. OPENING AND WELCOME**

Mr. Bapela KO, MPAC Researcher, Monitoring and Evaluation read the notice to the house.

The chairperson of the committee, Hon. Clr MO Sikosana requested the house to observe a moment of silence for meditations and prayers.

He declared the meeting officially opened and welcome everyone to the meeting.

The chairperson made a special welcome to THLM Municipal Manager and his entourage as well as the members of the community and representatives from Dr. JS Moroka Local Municipality.

The outlined the purpose of the meeting being to hold a hearing with the AO on the municipality's annual report 2015/16 financial year. He added that MPAC derives the hearing mandate from its Terms of Reference as adopted by the council.

## **2. APPLICATION FOR LEAVE OF ABSENCE**

No applications for leave of absence were received.

## **3. OFFICIAL ANNOUNCEMENTS**

None

## **4. MOTION OF SYMPATHY AND CONGRATULATIONS**

One Motion of Sympathy and Congratulations was raised by Clr PV Mahlangu in respect of the passing of sister Rose Mahlangu who was a professional nurse in the Public Health Sector for many years.

He expressed his deepest condolences to the family and relatives.

## **5. DISCLOSURE OF INTEREST**

None

## **6. MINUTES OF THE PREVIOUS MEETINGS**

None



**7. QUESTIONS OF WHICH NOTICE HAD BEEN GIVEN**

None

**8. MATTERS DEFERRED FROM THE PREVIOUS MEETING**

None

**9. REPORTS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

**TH-MPAC 22/03/2017**





# Non-Delegated Items Index

ITEM NO.	SUBJECT
TH-MPAC 22/03/2017	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE'S (MPAC) PUBLIC HEARING WITH THE ACCOUNTING OFFICER ON THE ANNUAL REPORT 2015/2016



TH-MPAC 22/03/2017

**MUNICIPAL PUBLIC ACCOUNTS  
COMMITTEE'S (MPAC) PUBLIC HEARING  
WITH THE ACCOUNTING OFFICER ON THE  
ANNUAL REPORT 2015/2016**

MPAC raised follow-up questionnaire on a one on one session with the Accounting Officer. The AO responded to all the follow-up questionnaire and accepted MPAC comments and recommendations as outlined hereunder:

1. **THAT** the picture of the omitted picture of the MMC for Technical Services in the report be inserted.
2. **THAT** in the future the pictures be taken well in advance and archived so that they can be used when need arise in the future.
3. **THAT** a budgeted municipal maintenance plan for high mast lights and street lights be developed and implemented - as the AO will be developing the Maintenance Plan, it is further recommended that the workforce be sufficient to address the workload on the plan as provided.
4. **THAT** MPAC has observed with concern the inadequacy on the alignment of the a) baseline, b) revised annual target and c) actual performance under PMU on **page 152** of the Annual Report it there recommends that in future the AO must ensure that the Annual Report is properly edited and it be a quality product.
5. **THAT** the council be advised to charge a service fee for issuing proof of residence document and that in implementing this resolution it is further recommended that the municipality collects and capture accurate and correct data of House Holds.
6. **THAT** in future the MPAC will appreciate to receive a report from the AO on the UIFW before the report is referred to MPAC for further investigation.
7. **THAT** the municipal manager consider appointing additional support personnel in PMS unit to enhance effectiveness and efficiency in the unit.
8. **THAT** pending the budget for 2017/18, the assistant manager communications be allocated the responsibility to manage presidential Hotline as part of his/her duties so that the Hotline services can be discharged.

The Accounting Officer was advised to furnish the office of MPAC with the following.

- a) THLM Work Skills Plan (WSP)
- b) List of name of 27 officials at the DLTC
- c) Copy of the *Integrated Youth Development Strategy*
- d) An updated Audit Action Plan for 2015/16



## RESOLVED

1. **THAT** the Municipal Public Accounts Committee's follow-up questions probing the Annual Report 2015/16 and the responses of the Accounting Officer be noted.
2. **THAT** the Municipal Public Accounts Committee to develop an oversight report recommending to council one of the following statements whether the council-
  - (a) approve the annual report with or without reservations;
  - (b) reject the annual report; or
  - (c) refer the annual report back for revision of those components that can be revised.
3. **THAT** MPAC sub-delegates the responsibility of the drafting of the oversight report to the MPAC chairperson





## 10. DEPUTATIONS

None

## 11. MOTION

None

## 12. CLOSURE

The chairperson appreciated the presence of the Accounting Officer and his entourage to MPAC hearing. He further appreciated his fair way of responding to questions. He cited that MPAC performs oversight function in order to encourage improvement of the audit opinion.

The Accounting Officer also appreciated the kind of engagement between MPAC and the Accounting Officer as this is assisting in improving the work of administration to turn the institution (THLM) around.

Clr. PV Mahlangu also appreciated the commitment of the management and appreciated their efforts.

The chairperson officially closed the meeting.

Clr. MO SIKOSANA  
(MPAC CHAIRPERSON)

23 March 2016  
DATE



## THEMBISILE HANI LOCAL MUNICIPALITY

4<sup>TH</sup> Special Municipal Public Accounts Committee 2016/17 Venue: Municipal Council Chamber










Date: 16 March 2017

	NAME	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT DETAILS
1.	Clr. Mzwandile Obed Sikosana	MPAC Chairperson		e-mail: ommzwndile@gmail.com / sikosanao@thembisilehlanilm.gov.za Tel: 079 031 2227
2.	Clr. Marcia Msiza	MPAC member		e-mail: marcthandiwe@gmail.com Tel: 082 746 9944
3.	Clr. Mitopi Andries Motena	MPAC member	ABSENT	e-mail: Tel: 0722442785/0744361781
4.	Clr. Samuel Bongani Mogoboya	MPAC member		e-mail: waburari.sen@gmail.com Tel: 071 438 5694
5.	Clr. Laza Elsie Jiyane	MPAC member		e-mail: layzajiyane77@gmail.com Tel: 072 407 0423
6.	Clr. Ntombi Mitta Motaung	MPAC member		e-mail: motaung.mitta@gmail.com Tel: 072 290 3386
7.	Clr. Patrick Vusi Mahlangu	MPAC member		e-mail: pvvonty@hotmail.co.za Tel: 072 420 8514
8.	Clr. Rubber Mtsweni	MPAC member		e-mail: rubber.mtsweni@gmail.com Tel: 073 659 5200
9.	Clr. Mqosh Paulos Mashaba	MPAC member		e-mail: Tel: 072 7378 290
10.	Clr. Jan Masaka Makhubela	MPAC member	ABSENT	e-mail: masakkajan@gmail.com Tel: 071 299 3111



	NAME	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT DETAILS
27.	RASEDIMA V.M.	ADMIN & CORPORATE COMMITTEE CLERK		e-mail: rasedima@muramba.gov.zw Tel: 013 9731101
28.	Mathebe K.G	Admin and Corporate MPAC Support STAFF		e-mail: Mathebekg@muramba.gov.zw Tel: 013 973 1101 / 082 386 2343
29.	Mtshweni M.S.	MPAC Chairperson		e-mail: George.mtshweni@muramba.gov.zw Tel: 072 5643315 (013 973 1101)
30.	LUCAS MOKOLO	MPAC Support		e-mail: matlakamokolo@gmail.com Tel: 082 386 267
31.	SIMPHING MASHIMANE	THLM Communication		e-mail: msimphing@muramba.gov.zw Tel: 013 986 9113
32.	Amos MSIBI	THLM CIR		e-mail: M8181Amos4@gmail.com Tel: 082 633 5717
33.	James Makhotliso	THLM Technical		e-mail: james.makhotliso@gmail.com Tel: 082 633 5717
34.	JOHANNES (FIR) MAKHATLISO	Community member		e-mail: makhotlisoj@webmail.co.za Tel: 076 39 33 84 / 072 426 76 35
35.	Elizabeth Masombuka	Knaggafentein A		e-mail: 079 678 1559 Tel: 079 678 1559
36.				e-mail: Tel:
37.				e-mail: Tel:
38.				e-mail: Tel:
39.				e-mail: Tel:
40.				e-mail: Tel:
41.				e-mail: Tel:



NAME	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT DETAILS
11. Clr. Adelaide Mokwena	MPAC member		e-mail: <a href="mailto:adelaide.mokwena@gmail.com">adelaide.mokwena@gmail.com</a> Tel: 073 105 1959/079 679 5044
12. Mr. Katlego Uokwena	MM's Office (MPAC)		e-mail: <a href="mailto:MokwenaKatlego@thembisilekhumalo.gov.za">MokwenaKatlego@thembisilekhumalo.gov.za</a> Tel: 013 986 9174
13. K-S Moripe	MM's Office (Pins)		e-mail: <a href="mailto:moripe@thembisilekhumalo.gov.za">moripe@thembisilekhumalo.gov.za</a> Tel: 013-9869100
14. AS Masepe	MM's Office (Awards)		e-mail: Tel:
15. B.B. Stutsie	Finance CFO		e-mail: <a href="mailto:Malopea@thembisilekhumalo.gov.za">Malopea@thembisilekhumalo.gov.za</a> Tel: 013 986 9167
16. SA Nxumalo	Corporate Services Researcher		e-mail: <a href="mailto:nxumalo@thembisilekhumalo.gov.za">nxumalo@thembisilekhumalo.gov.za</a> Tel: 013 986 9105
17. K-O Bapela	Researcher		e-mail: Tel: 013-9869132
18. AB Diphoza	MPAC Secretary		e-mail: <a href="mailto:diphoza@thembisilekhumalo.gov.za">diphoza@thembisilekhumalo.gov.za</a> Tel: 071 346 6029
19. O.N. Nkosi	Municipal Manager		e-mail: <a href="mailto:Nkosi@thembisilekhumalo.gov.za">Nkosi@thembisilekhumalo.gov.za</a> Tel: 082 3988911
20.			e-mail: Tel:
21.			e-mail: Tel:
22.			e-mail: Tel:
23.			e-mail: Tel:
24.			e-mail: Tel:
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26.			e-mail: Tel:



REF.: 3/2/4/3

**THEMBISILE HANI LOCAL MUNICIPALITY**



# MINUTES

**OF THE 5<sup>TH</sup> 2016/17 SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
MEETING HELD ON THE 23 MARCH 2017 IN MUNICIPAL COUNCIL CHAMBER**



## **ATTENDACE**

### **PRESENT**

Clr. MO Sikosana

Clr. SB Mogoboya

Clr. LE Jiyane

Clr. NM Motaung

Clr. M Msiza

Clr. PV Mahlangu

Clr. MP Mashaba

Clr. A Mokwena

### **ABSENT**

Clr. MA Motena

Clr. R Mtsweni

Clr. JM Makhubela

### **OFFICIALS PRESENT**

KO Bapela – Asst Manager MPAC Researcher, Monitoring and Evaluation

HB Diphofa – MPAC/AC Secretary

T Baloyi – Chief Risk Officer

AS Malope – Chief Audit Executive





## **1. OPENING AND WELCOME**

Mr. Bapela KO, MPAC Researcher, Monitoring and Evaluation read the notice to the house.

The chairperson of the committee, Hon Clr. MO Sikosana declared the meeting officially opened and welcome everyone to the meeting.

He reminded members that the meeting is part of the process of probing the Municipal Annual Report for 2015/16 and further informed the house that the Oversight report will be tabled to council on the 28 March 2016 for adoption.

The chairperson called for a full participation of all members present of the committee in the meeting.

## **2. APPLICATION FOR LEAVE OF ABSENCE**

No applications for leave of absence were received.

## **3. OFFICIAL ANNOUNCEMENTS**

None

## **4. MOTION OF SYMPATHY AND CONGRATULATIONS**

One Motion of Sympathy and Congratulations was raised by Clr PV Mahlangu in respect of the passing of Cde Ester Makhubo Kabini who was a loyal member of the African National Congress.

He expressed his deepest condolences to the family and relatives.

Motion of sympathy was also expressed to Hon Clr Skhosana (THLM) and Gijimane (Dr. JS Moroka) whose vehicles were hijacked.

## **5. DISCLOSURE OF INTEREST**

None

## **6. MINUTES OF THE PREVIOUS MEETINGS**

**6.1. Minutes of the 4<sup>th</sup> (2016/2017) Ordinary MPAC Meeting held on the 15, 16, and 17 February 2017**



**RESOLVED**

**THAT** Minutes of the 4<sup>th</sup> (2016/2017) Ordinary MPAC Meeting held on the 15 – 17 February 2017 be adopted as a true reflection of what transpired in the meeting.

**Mover:** Clr Mogoboya SB

**Seconders:** Clr Motaung NM

**6.2. Minutes of the 3<sup>rd</sup> (2016/2017) Special MPAC Meeting held on the 14 March 2017**

**RESOLVED**

**THAT** Minutes of the 3<sup>rd</sup> (2016/2017) Special MPAC Meeting held on the 14 March 2017 be accepted as a true reflection of what transpired in the meeting, with the following Corrections:

Under item **4. MOTION OF SYMPATHY AND CONGRATULATIONS** the phrase '**Ward 9**' be changed to '**Ward 29**'.

**Mover:** Clr Mahlangu PV

**Seconders:** Clr Jiyane LE

**6.3. Minutes of the 4<sup>th</sup> (2016/2017) Special MPAC Meeting held on the 16 March 2017**

**RESOLVED**

**THAT** Minutes of the 4<sup>th</sup> (2016/2017) Special MPAC Meeting held on the 16 March 2017 be accepted as a true reflection of what transpired in the meeting, with the following Corrections:

Under item **12 CLOSURE** paragraph number 1, sentence number 2 – '**in**' be inserted between the phrase '**function order**' to read as '**function in order**'.

Under item **12 CLOSURE** paragraph number 2, the word '**Officedr**' be correctly written as '**Officer**'

**Mover:** Clr Jiyane LE

**Seconders:** Clr Mokwena A

**7. QUESTIONS OF WHICH NOTICE HAD BEEN GIVEN**

None



## **8. MATTERS DEFERRED FROM THE PREVIOUS MEETING**

None

## **9. REPORTS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

**TH-MPAC 23/03/2017**





# Non-Delegated Items Index

ITEM NO.	SUBJECT
TH-MPAC 23/03/2017	MPAC DRAFT OVERSIGHT REPORT ON THE ANNUAL REPORT 2015/2016 FINANCIAL YEAR



**TH-MPAC 23/03/2017**

**MPAC DRAFT OVERSIGHT REPORT ON THE  
ANNUAL REPORT 2015/2016 FINANCIAL  
YEAR**

The chairperson tabled the Draft MPAC Oversight Report 2015/16.

He presented the following Portfolio of Evidence from the Accounting Officer on the matters that needed more clarity and evidence:

**1. POE – On Youth Integrated Development Strategy – Ref. MPAC Question  
no. 39**

The POE was accepted without reservations

**2. POE – On Proof of Transfer of Two Vehicles from Nkangala District  
Municipality to THLM – Ref. MPAC Question no. 25**

The POE was accepted with the following reservation/s,

- a) The actual number of Vehicles reported on is not consistent with the actual list provided in the annual report. It is further recommended that there should be management plan to regulate the updating of the municipal assets register and the inconsistency be corrected in the Annual Report.

**3. POE - On 27 list of the DLTC Staff Members – Ref. MPAC Question no. 20**

The POE was accepted with the following reservations;

- a) Question number 20 on whether are the 27 officials reporting for work now? - Was not accurately responded to by the Accounting officer. It is therefore recommended that a detailed placement report regarding the 27 officials at DLTC be prepared within 14 working days to avoid unnecessary Fruitless and Wasteful Expenditure.

**4. POE - On 11 Street lights at Buhlebesizwe V/S 22 KwaMhlanga Street Lights  
with same budget and the Bill Of Quantity**



The POE was accepted with the following reservations;

- a) The Portfolio of Evidence submitted by the Accounting Officer to MPAC provides for budget and Bill of Quantity with completed project of 22 Street Lights installed at Buhlebesiwe, whilst the Annual Report provides for 11 street lights and therefore the reporting was inadequate and insufficient. MPAC therefore recommend that the Annual Report be corrected in accordance with the Bill of Quantity.

To ensure that an intensive oversight is performed the committee agreed:

**THAT** in the future when developing the MPAC Oversight Process Plan the 'site visit' be included in the plan in order to verify and corroborate information.

## **RESOLVED**

1. **THAT** MPAC having fully considered Thembisile Hani Local Municipality's Draft Final Annual Report for the financial year 2015/16 and the Draft Oversight Report, adopts the oversight report; and recommend to council to approve the Final Draft Annual Report with the following reservations:
  - a) With reference to MPAC Question number 25, the actual number of vehicles reported on in the Annual Report is not consistent with the actual list provided in the report. It is therefore recommended that there should be a management plan to regulate the updating of the municipal assets register and the inconsistency in the annual report be corrected accordingly.
  - b) With reference to MPAC Question number 20 seeking clarity on whether are the 27 officials reporting for work currently, the question was not accurately responded to by the Accounting officer, as it does not provide exactly where those officials are currently placed. It is therefore recommended that the Accounting Officer provide a detailed placement report regarding the 27 officials at DLTC to MPAC within 14 working days to avoid unnecessary Fruitless and Wasteful Expenditure.





- c) With reference to MPAC Question number 13, The Portfolio of Evidence submitted by the Accounting Officer to MPAC provides for budget and Bill of Quantity with completed project of 22 Street Lights installed at Buhlebesiwe, whilst the Annual Report provides for 11 street lights and therefore the reporting was inadequate and insufficient as the other 11 street lights were not reported in the Annual Report. MPAC therefore recommend that the Annual Report be corrected in accordance with the Bill of Quantity.
2. **THAT** the oversight report be made public in accordance with Section 129(3) of the Municipal Finance Management Act, no. 56 of 2003 read with Section 21A of the Municipal Systems Act, no. 32 of 2000.
3. **THAT** the Annual Report and the Oversight Report of Thembisile Hani Local Municipality 2015/2016 be submitted to the provincial legislature within 7 days after the adoption by the municipal council, as required by Section 132(2) of the Municipality Finance Management Act, 56 of 2003.



#### 4. DEPUTATIONS

None

#### 5. MOTION

None

#### 6. CLOSURE

**The chairperson advised the house to consider and adopt the current meeting minutes so that the minutes can form part of the Oversight Report to council:**

The Minutes of the 5<sup>th</sup> (2016/2017) special MPAC meeting held on the on the 23<sup>rd</sup> of March 2017 were tabled for consideration.

#### **Corrections to the Minutes**

That the names of the CAE (Mr. AS Malope) and CRO (Mr TE Baloyi) be included as attended since they have attended the meeting.

#### **RESOLVED**

**THAT** the Minutes of the 5<sup>th</sup> (2016/2017) special MPAC meeting held on the on the 23<sup>rd</sup> of March 2017 be adopted as true reflection of what transpired with changes made.

**Mover:** Clr LE Jiyane

**Seconder:** Clr NM Motaung

The chairperson in conclusion thanked all members for their full participation, commitment, contribution and sacrifice.

The meeting was officially closed.

CLR. MO SIKOSANA  
(MPAC CHAIRPERSON)

23 March 2016  
DATE





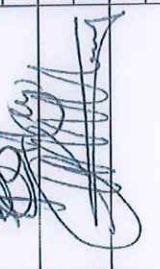
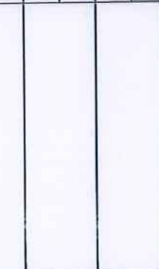

**THEMBEILE HANI LOCAL MUNICIPALITY**

**5<sup>TH</sup> Special Municipal Public Accounts Committee 2016/17      Venue: Municipal Council Chamber**

**Date: 23 March 2017**

	NAME	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT DETAILS
1.	Clr. Mzwandile Obed Sikosana	MPAC Chairperson		e-mail: ommzwndile@gmail.com / sikosanao@thembeilehanilm.gov.za Tel: 079 031 2227
2.	Clr. Marcia Msiza	MPAC member		e-mail: marcthandiwe@gmail.com Tel: 082 746 9944
3.	Clr. Mitopi Andries Motena	MPAC member		e-mail:
4.	Clr. Samuel Bongani Mogoboya	MPAC member		Tel: 0722442785/0744361781
5.	Clr. Laza Elsie Jiyane	MPAC member		e-mail: mthunzi.sen@gmail.com Tel: 071 438 5694
6.	Clr. Ntombi Mitta Motaung	MPAC member		e-mail: layzajiyane77@gmail.com Tel: 072 407 0423
7.	Clr. Patrick Vusi Mahlangu	MPAC member		e-mail: motaung.mitta@gmail.com Tel: 072 290 3386
8.	Clr. Rubber Q Mtsweni	MPAC member		e-mail: pvvonty@hotmail.co.za Tel: 072 420 8514
9.	Clr. Mqosh Paulos Mashaba	MPAC member		e-mail: rubber.mtsweni@gmail.com Tel: 073 659 5200
10.	Clr. Jan Masaka Makhubela	MPAC member		e-mail: Tel: 072 7378 290
				e-mail: masakkajan@gmail.com Tel: 071 299 3111



	NAME	DEPARTMENT AND DESIGNATION	SIGNATURE	CONTACT DETAILS
11.	Clr. Adelaide Mokwena	MPAC member		e-mail: Tel: 073 105 1959/079 679 5044
12.	Kr. Bopene	Researcher		e-mail: Tel: 013-986-9132
13.	HB Diphoto	MPAC Secretary		e-mail: diphoto6@kambisichauimogor.co.za Tel: 013 91869132
14.	IS Boleji	CPD		e-mail: Tel: 0822335832
15.	AS Malope	Chief Audit Executive		e-mail: malopes@kambisichauimogor.co.za Tel: 013 986 91 67 e-mail:
16.				Tel:
17.				e-mail: Tel:
18.				e-mail: Tel:
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24.				e-mail: Tel:

## **ANNEXURE B**

### **PORTFOLIO OF EVIDENCE (POE) ON ANNUAL REPORT PROCESSES**



MEMORANDUM  
CORPORATE SERVICES

TO : PMS UNIT  
FROM : MUNICIPAL MANAGER  
SUBJECT : IMPLEMENTATION OF COUNCIL RESOLUTIONS  
DATE : 01/02/2017

At its Ordinary Council meeting held on the 31 January 2017, council resolved among others the following:

TH-NDC 133/01/2017 DRAFT ANNUAL REPORT FOR THE FINANCIAL YEAR  
2015/16

**RESOLVED**

1. **THAT**, the 2015-2016 Draft Annual Report be noted.
2. **THAT** the 2015-2016 Draft Annual Report be referred to MPAC for further investigation.

Hope that you find the above in order

  
ON NKOSI  
MUNICIPAL MANAGER



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## CITY OF TSHWANE

GROUP FINANCIAL SERVICES DEPARTMENT: SUPPLY CHAIN MANAGEMENT

The following tenders may be purchased for a non-refundable price of R250,00 (including VAT) at the office mentioned below. Only cash, bank cards or bank-guaranteed cheques will be accepted. Please note that the tender documents are available for downloading from the National Treasury website ([www.tenders.gov.za](http://www.tenders.gov.za)). The 60/10 preference point system will be applied to the tenders.

- (S10 01-2016/17): Tender for the appointment of a service provider for the supply, delivery, repair, installation and maintenance of access control system and equipment at Emergency services department stations on an as and when required basis for a three-year period. Closing date: 20 February 2017 at 10:00. Compulsory briefing: 10 February 2017 at 10:00. Venue: Central Fire Station 1 Cnr Boismans and Maseke Streets, Pretoria. Technical queries: Louis O'Andrew v Herdian 012 358 2250 or oad@tshwane.gov.za. Supply chain queries: Mpho Moshane 012 358 8945 or moshane@tshwane.gov.za.

The following tenders may be purchased for a non-refundable price of R250,00 (including VAT) at the office mentioned below. Only cash, bank cards or bank-guaranteed cheques will be accepted. Please note that the tender documents are available for downloading from the National Treasury website ([www.tenders.gov.za](http://www.tenders.gov.za)). The 60/10 preference point system will be applied to the tenders.

- (S10 EE 08-2016/10): Tender for the maintenance of direct drive reciprocating compressors and pressure vessels (providers to be responsible for the maintenance services of substation pneumatic control system) for Gas Isolating switch gear (GIS) 132kV Circuit breakers including related equipment as and when required for a period of three years. CIOB Rating: 2 EP. Closing date: 09 March 2017 at 10:00. Compulsory briefing: 13 February 2017 at 10:00. Venue: Sub Transmission Depot, situated at 01 Francis Bland Street (De Wet Building next to City of Tshwane bus depot). GPS Co-ordinates: S25 44° 59' E28 10° 32'. Technical queries: Fanie Verster 012 358 0320 or fverster@tshwane.gov.za. Supply chain queries: Mpho Moshane 012 358 8945 or moshane@tshwane.gov.za.

- (S10 EE 14-2016/10): Tender to appoint a service provider for the reconditioning (re-metalling) of white metal bearings at Roodepoort Power Station as and when required for a three (3) year period. Closing date: 10 March 2017 at 10:00. Compulsory briefing: 20 February 2017 at 10:00. Venue: Roodepoort Power Station (Roodepoort 111). Technical queries: Moses Phala 012 358 2802 or mosesphala@tshwane.gov.za. Supply chain queries: Mpho Moshane 012 358 8945 or moshane@tshwane.gov.za.

- (S10 EE 41-2016/10): Tender to appoint a service provider for building maintenance activities at Roodepoort power station as and when required over a 3-year period. Closing date: 13 March 2017 at 10:00. Compulsory briefing: 20 February 2017 at 11:00. Venue: Roodepoort Power Station (Roodepoort 111). Technical queries: Moses Phala 012 358 2802 or mosesphala@tshwane.gov.za. Supply chain queries: Mpho Moshane 012 358 8945 or moshane@tshwane.gov.za.

- (S10 EE 23-2016/15): Tender for the supply, delivery and off-loading of instrument transformers for a three-year period on an as and when required basis. Closing date: 14 March 2017 at 10:00. Compulsory briefing: 21 February 2017 at 12:00. Venue: Princes Park Electricity Depot, 01 Nana Sita Street, Pretoria. Technical queries: Khutiso Mabasa 012 358 4195 or khutisomabasa@tshwane.gov.za. Supply chain queries: Mpho Moshane 012 358 8945 or moshane@tshwane.gov.za.

In terms of MFMA Circular 81, service providers must register on the National Treasury Central Supplier Database that can be accessed at [www.esd.gov.za](http://www.esd.gov.za).

Tenders will be received on or before the closing date and time shown, must be enclosed in a separate sealed envelope bearing the applicable tender heading and reference number, as well as the closing time and date, must be addressed to the Executive Director: Supply Chain Management, City of Tshwane, and must be deposited in the tender box situated at the Procurement Advice Centre at the entrance of C de Wet Centre, 175 Ex'la Mphahlele Drive, Pretoria West. GPS coordinates: 28.7501515 28.1735606. Tenders will be opened at this address at the time indicated.

The specifications and tender forms are obtainable during normal office hours (Mondays to Fridays from 07:45 until 15:15) from the Executive Director at the above address on receipt of the non-refundable deposit as indicated above. Only cash or bank-guaranteed cheques will be accepted. Tenders will be evaluated on the basis of points awarded for price and B-BBEE status level. The lowest or any tender will not necessarily be accepted, and the City of Tshwane reserves the right to accept a tender as a whole or in part.

Tenders must remain valid for a period of 90 days after the closing date.

General enquiries: 012 358 0343

Notice 01 of 2017  
03 February 2017

[www.tshwane.gov.za](http://www.tshwane.gov.za)  
City of Tshwane Official (Page)

[www.tshwane.gov.za](http://www.tshwane.gov.za)



## Race for Diski title hots up

### Sihle Ndebele

THE MultiChoice Diski Challenge is approaching its climax and now it's practically a three-horse race.

The reserve league title race is hotting up with only three games away.

Mamelodi Sundowns, who are at the summit of the log with 23 points, are separated by a single point with Bloemfontein Celtic, while Maritzburg United are not far off the pace at third with 25 points.

Maritzburg and Celtic reserves are hoping for young Sundowns to stumble so that they take advantage.

The junior Brazilians host eighth-placed Free State Stars at TUT Stadium on Sunday at mid-day. They will once again rely on their star player Keleto Makgalwa for goals although his striking partner Thabang Sibanyoni will miss out after being charged for contravening the PSL rules.

Downs used Sibanyoni in their game in December despite the player being rendered ineligible having accumulated four yellow cards and he was supposed to serve a one-match suspension. Now the club has been hauled before the PSL tribunals.

Meanwhile, Celtic reserves will take on Orlando Pirates at Rand Stadium tomorrow morning.



Keleto Makgalwa of Mamelodi Sundowns. PHOTO: FRIKKE KAPP/BACKPAGEPUP



Thembisile Hani Local Municipality

### PUBLIC NOTICE: 2015/2016 DRAFT ANNUAL REPORT

Notice is hereby given in terms of section 137 (9) (a) of the Local Government Municipal Finance Management Act, 2003 (Act No 56 of 2003), and in terms of section 46 of the Local Government Municipal Systems Act, 2000 (Act No 32 of 2000), to notify members of the community and interested groups to submit written comments or representations on the Draft Annual Report of 2015/2016 as tabled for public comment in the Municipal Council on Tuesday 31 January 2017.

The Draft Annual Report can be accessed and viewed during normal working hours (07:00-18:00) and on our municipal website, from the 3rd February 2017 to 23rd February 2017 at the places stated below.

In terms of section 21A of the said Municipal Systems Act, the 2015/2016 Draft Annual Report of Thembisile Hani Local Municipality is available at the Municipal head office at Kamekgethe, Municipal sub-offices at Kamekgethe and Tsefotsefotse "K", Municipal public libraries at Kamekgethe, Phumula, Veranda and Municipal Website at [www.thembisilehantshane.gov.za](http://www.thembisilehantshane.gov.za)

Representations may be directed to the Municipal Manager, Thembisile Hani Local Municipality, Private Bag 56041, Empumalanga, 0450, or submitted at any of the offices.

THE CLOSING DATE FOR THE SUBMISSION OF REPRESENTATIONS IS THURSDAY, 23 FEBRUARY 2017.

Administrative enquiries may be directed to the following official during office hours: The Assistant Municipal Manager Performance Management Systems: Mrs Sina Mchabe at 013 600 9100

011 0000 - Municipal Manager

[WWW.SABAZO.CO.ZA](http://WWW.SABAZO.CO.ZA)

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### GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

#### Tender Cancellation

**Tender Number:** DRT 08/08/2015  
**Service:** Unified Communications Platform entailing IP PBX, Telephone Management System, SIP Voice Routing Solution for the DRT GP (Head Office and G-Flot Interlinking with District Office)

The Gauteng Department of Roads and Transport hereby notifies bidders that the request for the following services advertised on 19 February 2016 has not been awarded.

Enquiries may be directed to Mr Devante Maphari, cell: 093 761 5638.

We would like to apologise for any inconvenience caused.



GAUTENG PROVINCE  
ROADS AND TRANSPORT  
REPUBLIC OF SOUTH AFRICA

Koos Strydom 07722

### JOHANNESBURG CITY PARKS AND ZOO INVITATION TO BID

Johannesburg City Parks and Zoo, the premier conservation and cemetery management agency for the City of Johannesburg Municipality, invites contractors from suitably registered companies for the following contracts set out below. Compulsory briefing sessions will be held and followed by an inspection of the sites as per the schedule below (bidders who fail to attend the compulsory site briefing session will not be considered).

Contract No.	Brief Work Description	CIOB	Contract Period	Preference Points System	Site/Clarification Briefing Address	Briefing Date and Time	KCZ Contact	Closing Date and Time
KPU/01/2016	Patterson Park Upgrade	601 or higher	11 Months	50/10 & Functionality	Corner Short Street and Pine Road, Orkney - Opposite Pickup Depot	13/02/2017 @ 09:00am	Kodell Paul @ 082 809 3071	23/02/2017 @ 12:00pm
KPU/01/2016	Loche Botha Park Upgrade	501 or higher	10 Months	50/10 & Functionality	Corner Hawthorne and Spaworth Road, Germiston	13/02/2017 @ 11:00am	Shadrack Mubwandira @ 076 697 8734	23/02/2017 @ 12:00pm
KPU/01/2016	Resonant Product Rehabilitation	700 or higher	18 Months	50/10 & Functionality	Corner Albertina Sisulu Road and Marcella Street, Bryanston	14/02/2017 @ 13:00	Magdalena Khosane @ 082 915 0166	16/03/2017 @ 12:00
KPU/01/2016	Kuhle Rehabilitation	701 or higher	18 Months	50/10 & Functionality	Corner Sebela and East Bank Avenue, Alexander	14/02/2017 @ 10:00am	Heel Robson @ 072 319 1364	16/03/2017 @ 12:00pm
KPU/01/2016	Develop Record Management Strategy	N/A	6 Months	60/20 & Functionality	40 De Korte Street, Braamfontein	14/02/2017 @ 09:00	Romy Mntsoa @ 011 712 6630	13/02/2017 @ 12:00

To qualify for consideration, potential service providers should provide the following minimum qualification documentation: • Conduct & Health registered business entity (Attach Co or Share Certificate) • Valid original Tax Clearance Certificate or Tax Compliance Status • Company and/or Directors proof of residence (latest municipal statement or valid lease agreement) in their area of jurisdiction • Valid COO Certificate (Letter of good standing) • Required COB grade (provide valid proof of required grade, only for construction projects) • Proof of registration with CSO (Central Supplier Database) at National Treasury

Service providers are requested to submit the following requirements amongst others: • B-BBEE certificate by an approved verification agency • Detailed company profile • Copies of Certified Identity Documents • Proof of banking • CVs of Key Personnel • Contactable references and Track record

NOTE: All service providers must submit their B-BBEE Verification Certificate from Verification Agency accredited by the South African Accreditation System (SAHAS) or a Registered Auditor approved by the Independent Regulatory Board of Directors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) in order to claim preference points.

Johannesburg City Parks and Zoo reserves the right not to award a bid, if the bidder is already engaged in other projects of similar nature within KCZ. Thus, the KCZ has discretion in certain circumstances to award a contract to a tenderer who has not scored the highest points according to the preference point system, provided that certain jurisdictional facts exist as per the set-aside and rotation policy of KCZ available on our website.

The physical address for collection and submission of bid documents is: Johannesburg City Parks and Zoo Head Office, City Parks House, Ground floor, 40 De Korte Street, Braamfontein, Johannesburg. Documents may be collected during working hours from Wednesday, 8 February 2017 from 12:00 to 15:30.

A non-refundable bid deposit of R250-00 including vat, payable only by bank-guaranteed cheque made payable in favour of Johannesburg City Parks and Zoo, will be accepted. Cash must be deposited directly into City Parks Standard Bank account number: AB11 (Customer Identity Number CIO Tot EFT, deposit directly into City Parks Standard Bank account number: 00017112, Branch code: 000205 (quote bid number on deposit slip as reference), and proof of deposit produced on collection of bid document. Queries relating to the issue of the documents may be addressed to Lindiswa Mkhosi or Mphahlele Chitika 011 712 6630/1712.

The lowest or any tender will not necessarily be accepted and Johannesburg City Parks and Zoo reserves the right to accept any tender either in whole or in part. Telegraphic, telephonic rates, facsimile and late bids will not be accepted. Johannesburg City Parks and Zoo is committed to combat fronting.

Insofar as it is legally permitted to do so, and provided that service delivery will not be severely influenced, contracts awarded by fronting enterprises will be cancelled, the service provider in question will be blacklisted on its database of service providers and reported to the applicable authorities.

For more information on bids and quotations visit our website: [www.jcityparks.com](http://www.jcityparks.com)







## Thembisile Hani Local Municipality

### PUBLIC NOTICE: 2015/2016 DRAFT ANNUAL REPORT

Notice is hereby given in terms of section 127 (5) (a) of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 OF 2003), and in terms of section 46 of the Local Government: Municipal System Act, 2000 (Act No 32 of 2000), to notify members of the community and interested groups to submit written comments or representations on the Draft Annual Report of 2015/2016 as tabled for public comment in the Municipal Council on Tuesday 31 January 2017. The Draft Annual Report can be accessed and viewed during normal working hours (07H45-16H00) and on our municipal website, from the 3<sup>rd</sup> February 2017 to 23<sup>rd</sup> February 2017 at the places stated below.

In terms of section 21A of the said Municipal System Act, the 2015/2016 Draft Annual Report of Thembisile Hani Local Municipality is available at the Municipal head office at Kwaggafontein, Municipal satellite offices at Kwamhlanga and Tweefontein "K", Municipal public libraries at Kwaggafontein, Phumula, Verena and Municipal Website at [www.thembisilehanilm.gov.za](http://www.thembisilehanilm.gov.za)

Representations may be directed to the Municipal Manager, Thembisile Hani Local Municipality, Private Bag X4041, Empumalanga, 0458, or submitted at any Satellite unit offices.

The closing date for the submission of representations is Thursday, 23 February 2017.

Administrative enquiries may be directed to the following official during office hours:

- The Assistant Manager: Performance Management System: Mrs Sinah Moripe at 013 986 9100

ON Nkosi  
Municipal Manager

Date: 01/02/17



# THEMBISILE HANI LOCAL MUNICIPALITY

## ACKNOWLEDGEMENT OF RECEIPT

### 2015/2016 DRAFT ANNUAL REPORT

NO	SURNAME & NAME	ORGANISATION/ DEPARTMENT	TELEPHONE\ CELL	DATE RECEIVED	SIGNATURE
1	Mama Portia ZITHOBISILE	Thembisile Hani Local Municipality Verena Library	072 521 4348	02/02/2017	
2	S.A. Masango	Thembisile Hani Local Municipality Tweefontein K Satellite office	072 970 4984	03/02/2017	
3	F.S. Mkhumungu	Licensing Department	071 5069427	2017/02/03	
4	M.S. Nalangu	Thembisile Hani Local Municipality Kwa-Mhlanga Satellite office	072 4908760	03/02/2017	
5		Thembisile Hani Local Municipality Loopspruit PL			





## THEMBISILE HANI LOCAL MUNICIPALITY

### ACKNOWLEDGEMENT OF RECEIPT

#### 2015/2016 DRAFT ANNUAL REPORT

NO	SURNAME & NAME	ORGANISATION/ DEPARTMENT	TELEPHONE\ CELL	DATE RECEIVED	SIGNATURE
1	Ndlovu Induzile	Thembisile Hani Local Municipality New Building	083 38 75 406	02-02-2017	SP Ndlovu
2	Thembi Misa	Thembisile Hani Local Municipality Old Building	081 822 6400	02-02-2017	L.T. Misa
3	Gumani Mafiswisa	Thembisile Hani Local Municipality Library	071 788 0257	02-02-2017	L.T. Mafiswisa

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# THEMBISILE HANI LOCAL MUNICIPALITY

Private Bag X4041  
Empumalanga  
0458

Tel : (013) 986 9100  
Tel : (013) 986 0995  
Email:  
municipalmanager@thembisilehanim.gov.za  
www.thembisilehanim.gov.za

## OFFICE OF THE MUNICIPAL MANAGER

Ref: 9/1/1

Enquiries: Sinah Moripe (Ext. 9123)

Hon.Speaker

Mpumalanga Provincial Legislature

Private Bag X11289

Nelspruit

1200

RE: SUBMISSION OF 2015/2016 DRAFT ANNUAL REPORT

In terms of section 127 (5) (b) of the Municipal Finance Management Act, Thembisile Hani Local Municipality is hereby submitting the 2015/2016 Draft Annual Report for your consideration. The 25 booklet copies will be submitted after the approval of the 2015/2016 Oversight Report

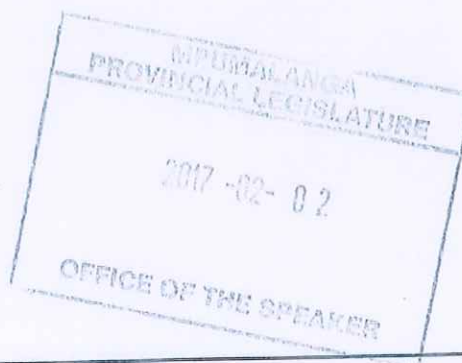
Hoping that you will find the above to be in order.

Kind regards

ON Nkosi

Municipal Manager

Date: 01/02/2017



### ACKNOWLEDGEMENT OF RECEIVED

Receiver's name Phumzile

Date received 02-02-2017

Department LEGISLATURE

Contact of receiver 013 766 1061

STAMP HERE

Vision

To better the lives of our people through equitable, sustainable service  
delivery and economic development

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# THEMBISILE HANI LOCAL MUNICIPALITY

Private Bag X4041  
Empumalanga  
0458

Tel: (013) 986 9180  
Tel: (013) 986 0985  
Email: [municipalmanager@thembisilehani.gov.za](mailto:municipalmanager@thembisilehani.gov.za)  
[www.thembisilehani.gov.za](http://www.thembisilehani.gov.za)

## OFFICE OF THE MUNICIPAL MANAGER

Ref: 9/1/1

Enquiries: .Sinah Moripe (Ext. 9123)

ATT: V Bonini

Mpumalanga Provincial Treasury

Private Bag X11205

Nelspruit

00

### RE: SUBMISSION OF 2015/2016 DRAFT ANNUAL REPORT

In terms of section 127 (5) (b) of the Municipal Finance Management Act, Thembisile Hani Local Municipality is hereby submitting the 2015/2016 Draft Annual Report for your consideration.

Hoping that you will find the above to be in order

Kind regards

ON Nkosi

Municipal Manager

Date: 01/02/2017



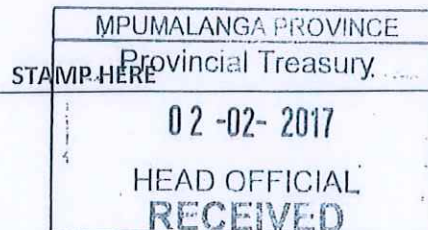
### ACKNOWLEDGEMENT OF RECEIVED

Receiver's name Membery

Date received 02/02/2017

Department PROVINCIAL TREASURY

Contact of receiver (013) 766 45 72



Vision

To better the lives of our people through equitable, sustainable service delivery and economic development



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# THEMBISILE HANI LOCAL MUNICIPALITY

Private Bag X4041  
Empumalanga  
0458

Tel: (013) 986 9100  
Tel: (013) 986 0995  
Email: [municipalmanager@thembisilehanim.gov.za](mailto:municipalmanager@thembisilehanim.gov.za)  
[www.thembisilehanim.gov.za](http://www.thembisilehanim.gov.za)

## OFFICE OF THE MUNICIPAL MANAGER

Ref: 9/1/1

Enquiries: Sinah Moripe (Ext. 9123)

ATT: Mr. D Radebe

Auditor-General, South Africa

PO Box 2684

Nelspruit

9300

### RE: SUBMISSION OF 2015/2016 DRAFT ANNUAL REPORT

In terms of section 127 (5) (b) of the Municipal Finance Management Act, Thembisile Hani Local Municipality is hereby submitting the 2015/2016 Draft Annual Report for your consideration.

Hoping that you will find the above to be in order

Kind regards

ON Nkosi

Municipal Manager

Date: 02/02/2017

### ACKNOWLEDGEMENT OF RECEIVED

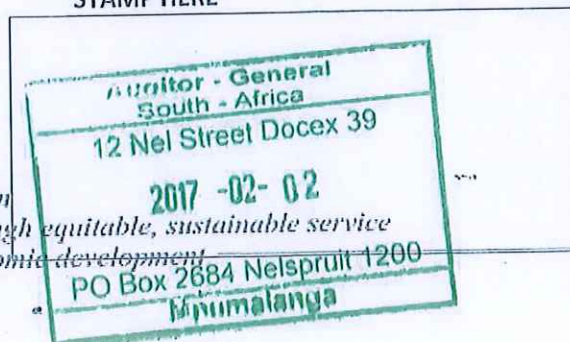
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# THEMBISILE HANI LOCAL MUNICIPALITY

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## OFFICE OF THE MUNICIPAL MANAGER

Ref: 9/1/1

Enquiries: .Sinah Moripe (Ext. 9123)

ATT: A Moseki  
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### RE: SUBMISSION OF 2015/2016 DRAFT ANNUAL REPORT

In terms of section 127 (5) (b) of the Municipal Finance Management Act, Thembisile Hani Local Municipality is hereby submitting the 2015/2016 Draft Annual Report for your consideration.

Hoping that you will find the above to be in order

Kind regards

ON Nkosi

Municipal Manager

Date: 01/02/2017

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## OFFICE OF THE MUNICIPAL MANAGER

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Date: 01/02/2017

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## **ANNEXURE C**

MPAC OVERSIGHT QUESTIONS,  
RESPONSES OF THE ACCOUNTING  
OFFICER, MPAC COMMENTS  
AND RECOMMENDATIONS ON  
THE ANNUAL REPORT 2015/2016  
FINANCIAL YEAR

# **THEMBISILE HANI LOCAL MUNICIPALITY**



## **MPAC QUESTIONNAIRE NO. 4 OF 2016/17 FINANCIAL YEAR**

### **FINAL QUESTIONNAIRE PROBING THE ANNUAL REPORT 2015/16 AND RESPONSES OF THE ACCOUNTING OFFICER**

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<b>QUALITY CHECK OF THE ANNUAL REPORT</b>			
<p>On Pages 7, 30,31,32,33 and 34 of Draft annual report, MPAC observed that there are pictures of current Mayor inserted with the pictures of previous MMC's.</p> <p>1. Why did the Accounting Officer insert the pictures of the current Mayor instead of the previous Mayor?</p>	<p>There is no legislation or circular which stipulates the pictures that must be inserted in the Annual Report, that matter is left to discretion of each municipality and so a comparative study that was undertaken by the municipality in this regards revealed that other municipalities are doing it differently others put picture for current Mayor and others put picture of former Mayor. So our municipality decided that the picture of the current Mayor will remain on page 7 and the picture on page 30 will be amended and insert the picture of the former Mayor with his Member of Mayoral Committee so that it can correlate with the information on the Audited financial statement on page 319 of the Draft Annual Report</p>	<p><b>Q:</b> Did the AO consider MFMA Circular 63?</p> <p><b>A:</b> The basis of the AR is basically informed by MFMA Circular 63, so in putting together the annual report the circular was considered.</p> <p><b>Q:</b> Does the AO still maintain that there is no circular talking to the pictures</p> <p><b>A:</b> The AO still affirm that the respond provided with reference to the issue of pictures is correct.</p> <p>The transitional part was not included/covered by the circular hence the decision was taken in terms of the format that guides the formulation of the AR.</p> <p>Therefore indeed there is no legislation or circular in relation to inserting of pictures of the previous or the current mayor.</p>	<p><b>Accepted</b></p> <p><i>THAT the picture of the omitted picture of the MMC for Technical Services in the report be inserted.</i></p> <p><i>THAT in the future the pictures be taken well in advance and archived so that they can be used when need arise in the future.</i></p>



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
		<p><b>Q:</b> Does the placement of pictures not causing a confusion?</p> <p><b>A:</b> Certainly consistency is required and the AO is not firm as to what is the right thing to do with regard to the pictures.</p> <p>The AO is therefore of the view that where the Executive Mayor (P7) must sign off the picture there must be of the current Executive Mayor and the page that relate to the historical account of the then Mayoral Committee be inserted with the picture of the former Executive Mayor and the then Members or the Mayoral Committee.</p> <p><b>Q:</b> The AO says in his respond that “<b>So our municipality decided</b> that the picture of the current Mayor will remain on page 7 and the picture on page 30” ... Was this decision informed by management or council decision?</p> <p><b>A:</b> The decision was the decision of the management.</p>	

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>1.1. Furthermore on page 32, can the accounting officer provide reasons as to why he didn't insert the picture of Cllr TL Mabena the then MMC for technical services between 2014/2016.</p>	<p>The MMC was not available on the day of the scheduled photo session where all members of the Mayoral Committee were taken official photographs to be used on official documents of the municipality including the Annual Report.</p>	<p><b>Q:</b> Was the MMC notified about the foto session and after the MMC did not attend, did the AO make some means to ensure that the Hon. MMC is taken a photo?</p> <p><b>A:</b> Yes the MMC's were notified and necessary follow-ups were made with the Hon MMC concerned, and was not available at the time of printing the document as such the foto of the MMC concern was omitted.</p> <p>However the AO accepted that this mishap will be corrected in future.</p> <p><b>Q.</b> How important is it to include the fotos in the AR?</p> <p><b>A.</b> The issue of fotos is not a compliance matter, it's just a matter of creativity of the crafters of the AR within the framework of the format of the AR in terms of the Circular 63.</p>	

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<b>BASIC SERVICE DELIVERY – (TECHNICAL SERVICES)</b>			
<p>The committee has noted the challenges provided under Component A: Basic Services – Introduction to Basic Services, <b>page 65 of the Annual Report.</b></p> <p>3. Can the AO furnish the committee with the action plan to remedy the challenges above?</p>	<p>The matters are address through the New reservoir and pipeline at KwaMhlanga in progress.</p> <p>Bundu, Moloto, and Vriesgewaagde, Tweefontein are covered on the developed TR and ready for implementation.</p> <p>Moses River in process and on Implementation (Bundu weir).</p> <p>War On leaks programme, Existing water maintenance teams and water conservation and demand management projects.</p> <p>None Bulk water Supply CoT</p> <p>Interconnection at Enkeldoornog B to share Rand Water supply, water tankers from Kusile complementing the THLM water tankers in terms of supplying the CoT affected areas ( Moloto, Tweefontein, Belfast and Zenzele) POE (TR and Appointment</p>		Accepted



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
	<p>letters for Enkeldoornoog. Kusile Letter)</p> <p>WSIG and MIG Funded projects POE WSIG Business, Kwaggafontein TR.</p> <p>Luthuli Waste Water Treatment Works ( construction of a 20MI/d plant over a period of 20 years) and Tweefontein WWTW 0.75MI/day to 1.5MI/day and a further upgrade to 15MI/day plant over a period of 20 years</p> <p>Luthuli WWTW beneficiaries</p> <p>KwaMhlanga, Zakheni, Leratong, Luthuli, Kammelpoortnek A &amp; C, Enkeldoornoog A and Sheldon</p> <p>Tweefontein K WWTW beneficiaries</p> <p>Tweefontein K, A, B,C,D, E, M,N,F,G, H, J, Vlaklaagte No:1 and 2, and Gembokspruit</p> <p>( POE :TR)</p>		

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p><b>On page 65, chapter 3 of the Annual Report MPAC has observed that 81% of the households have access to basic water and 90% have access to basic refuse removal.</b></p> <p>4. Can the AO provide the committee with detailed information as to which method/criteria was used to inform the percentage given the fact that the municipality is struggling on the issue of water provision?</p>	<p>General Community Survey and Statistics SA 2011.</p> <p>The 81% was based on the access to infrastructure and backlogs eradicated utilising through the Municipal Infrastructure Grant.</p> <p>POE : PCF Report</p>		<p><i>Accepted</i></p>
<p>4.1. Can the AO provide the details on mega litres from each suppliers</p>	<p>As per SLA:</p> <ol style="list-style-type: none"> <li>1. Rand Water-30 ml/day</li> <li>2. CoT- 16.6ml/day</li> <li>3. Dr.JS Moroka 5ml/day</li> </ol>		<p><i>Accepted</i></p>

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p><b>On page 73 under 3.3 Electricity</b> the committee has observed that the municipality have a total number of 290 high mast lights and 432 street lights installed.</p> <p>5. Can the AO provide detailed information about the location of the high mast lights and the street lights installed?</p>	Electricity report is attached indicating the areas by ward.		<b>Accepted</b>
5.1. Can the AO confirm the functionality of those lights?	Yes, They are functionality of these highmastligths are as indicated on the report. POE (Attached Report)		<b>Accepted</b>
5.2. Does the municipality have a maintenance plan for the high mast lights and street lights?	<p>The municipality does not have Electricity Maintenance plan for highmast ligths and streetlights, however those that are not functional are being repaired by our internal team and service providers.</p> <p>POE : Purchase Orders and Report from Internal Team</p>		<b>Accepted</b> <b>THAT</b> a budgeted municipal maintenance plan for high mast lights and street lights be developed and implemented.
5.3. If 'YES' is the maintenance plan fully implemented? Provide POE	None		<b>Accepted</b>



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>MPAC noted that according to the Annual Report (<b>see employment information table on page 73</b>) only 2 staff members are allocated/employed under electricity unit.</p> <p>6. Can the AO substantiate that the two staff members in the unit are sufficient to provide and maintain electricity services as required by the municipality?</p>	<p>As per organogram we only have two positions for the financial year. The staff is not sufficient for the maintenance and it will be relooked at during review of the organogram. However the electrical team is being assisted by the service provider as and when need arise.</p>		<p><b>Accepted</b></p> <p>THAT as the AO will be developing the Maintenance Plan as recommended on 5.2 above, it is further recommended that the workforce be sufficient to address the workload on the plan as provided.</p>
<p>MPAC has observed that the project '<b>1 Bulk Water Scheme for Kwaggafontein</b>' was shifted to the subsequent financial year. <b>Ref. Page 130 AR.</b></p> <p>7. Can the AO explain the reason behind postponement/shifting of the projects to 2016/17 financial year?</p>	<p>Phase 2 of the project was scheduled to be completed in the 2015/2016 FY,</p> <p>As a result of slow implementation by Rand Water 30 Million was withdrawn in that Financial year subsequently their contract was terminated.</p> <p>POE ( Letters to RW and From NT)</p>		<p><b>Accepted</b></p>
<p>MPAC has observed that 1 Bulk Water Scheme for Bundu was not upgraded meanwhile there was a</p>	<p>R 23 million was allocated and DCOG withdrew 30 million from 119 million to 89 million and the budget was subsequently adjusted 3million</p>		<p><b>Accepted</b></p>

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>budget allocated to the project. <b>Ref. Page 131 AR.</b></p> <p>8. Can the AO explain why the project was not upgraded whereas the budget was allocated?</p>	<p>to do only designs for the 2015/16 FY.</p> <p>Funding for the project was withdrawn by DCOG for poor spending.</p> <p>Slow implementation by Rand water as the implementing Agent</p> <p>POE (Letter withdrawal and Implementation of Council resolution adjusted Budget)</p>		
<p>MPAC has observed that 4 boreholes were allocated for Engwenyameni Luthuli; Ward 19 and 22 respectively with the expenditure of R 2 420 339.10. <b>Ref. Page 134 of the AR</b></p> <p>9. Can the AO explain to the committee where did he get the extra amount to finance the whole project as the adjusted annual budget is staying at R 1 949 128 whereas the expenditure is at R 2 420 339.10.</p>	<p>With reference to the expenditure challenges as a result of the 2 x Rand Water projects (Kwaggafontein Water Scheme and New reservoir at KwMhlanga), part of the acceleration plan implementation was to go full scope on all boreholes projects, vis-à-vis the originally planned implementation which was a multi-year implementation due to budget constraints. The budget was correct with the virement at the end of the financial year.</p> <p>POE: refer to appointment Letter to full scope. Approved Virement</p>		<b>Accepted</b>



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
9.1. Further can the AO provide reasons as to what led to the overspending? Provide Portfolio of Evidence.	Four (4) boreholes were drilled at Suncity A, 1(one) Luthuli and 2 (Two) Engwentyameni but two were found to be low yielding at Suncity A.		
MPAC has observed that in terms of the set target of 3 boreholes for both Tweefontein J and Buhlebesizwe are yet not completed, however the expenditure by the end of the financial year was at R 1 972 028.06 whilst the adjusted annual budget was at R 1 873 248. <b>Ref. page 137</b>	With reference to the expenditure challenges as a result of the 2 x Rand Water projects (Kwaggafontein Water Scheme and New reservoir at KwMhlanga), part of the acceleration plan implementation was to go full scope on all boreholes projects, vis-à-vis the originally planned implementation which was a multi-year implementation due to budget constraints. The budget was correct with the virement at the end of the financial year.		<i>Accepted</i>
10. Can the AO explain why the set target was not achieved whilst the expenditure exceeds the budget?			



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>MPAC has observed a peculiar budget relations on the installations and energising of the high mast lights. <b>Ref. Page 144 – 145 (Vezubuhle: R550 000 with x2 high mass lighthst (hml), Phumula b1 and d: R1 034 279 with x2hml, Kwaggafontein E: R244 000 with x1hml, Mandela Ext: R306 192 with x1hml).</b></p> <p>11. Can the AO explain to the committee as to what methodology was used to determine the budgeting of the installation and energising of the high mast lights as highlighted in the above observation?</p>	<p>In the 2014/2015 FY highmastligths and streetlights were suspended due to the water crisis we having the municipality, therefore when the projects were rebudgetted the scope of works from one village to the other village varies.</p> <p>The requirements from Eskom with regards to the connection points are not same.</p>		<i>Accepted</i>
<p>11.1. Can the AO provide the committee with the report of the consultants in relation to the above mentioned projects?</p>	<p>Yes, scope of work attached with costs estimates.</p>		<i>Accepted</i>
<p>The committee has observed underperformance on refurbishment of Boreholes at</p>	<p>Yes, 3 boreholes are drilled and equipped with pumps and Steel</p>		<i>Accepted</i>

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>Kwaggafontein B: WARD 25. Ref. Page 140</p> <p>12. Can the AO convince the committee that the remaining R305 916.46 of the budget would complete the remaining 3 boreholes as planned?</p>	<p>tanks. Only connections to the existing reticulation was outstanding.</p> <p>The approved technical reports identified the additional number of Boreholes that could be drilled/ refurbished, and this was after the SDBIP had been developed and approved by Council.</p> <p>With reference to the expenditure challenges as a result of the 2 x Rand Water projects (Kwaggafontein Water Scheme and New reservoir at KwaMhlanga), part of the acceleration plan implementation was to go full scope on all boreholes projects, vis-à-vis the originally planned implementation which was a multi- year implementation due to budget constraints. The budget was correct with the virement at the end of the financial year.</p> <p>POE TR (Suncity A and Kwaggafontein C, D and E and Virement)</p>		

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>MPAC has observed inconsistency on planning and expenditure on the following projects: <b>11 Buhlebesizwe Street lights V/S 22 KwaMhlanga Street lights (both on page 147 of AR) at the same amount of R100 000.</b></p> <p>13. Can the AO clarify the committee about the inconsistent planning and budgeting of the above-mentioned projects?</p>	<p>The funding was budgeted for in the FY year for energising and not installations as installations was covered in previous FY.</p>	<p><b>Q. With reference to the AR page 147. Can the AO respond to the question as the respond is not relevant to the question?</b></p> <p><b>A.</b> It is indeed not possible to spend the same amounts for two different projects.</p> <p>The AO accepts the observations of the committee. It was an oversight from the management that we reported only 11 street lights instead of 22.</p> <p>The 11 Streetlights were installed in the first crossing at Buhlebesizwe and another 11 lights were installed at the second crossing, which makes a total of 22 streetlights.</p> <p>Attached herewith is the BOQ for Buhlebesizwe and KwaMhlanga, completion certificate, proof of payment, Voucher and Expenditure by vote.</p>	<p><b>Accepted</b></p>



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>The committee observed that Kwamhlanga and Moloto clinic street lights are reported as target achieved but under the 'challenges' it is stated <i>"that the lights are installed but not tested due to vandalism to the supply point"</i>. <b>Ref. Page 147 to 148 AR</b></p> <p>14. Can the AO explain the contradiction?</p>	<p>The installations of street and transformer were completed but the contracted service provider could not test the installations as Eskom transformer was vandalised and the municipality had to wait for Eskom to replace the vandalised cables from the transformer from Eskom to complete the testing part.</p>		<i>Accepted</i>
<p>14.1. Can the AO provide the committee with the current status of the project given the fact that the lights were not tested due to vandalism?</p>	<p>Eskom replaced the vandalised cable from the transformer and lights were tested, energised and handed over to the municipality.</p>		<i>Accepted</i>
<p>14.2. Was the acts of vandalism reported to the law enforcement agencies? If 'YES' provide evidence and if 'NO' why not?</p>	<p>Yes,  POE ( Case No)</p>		<i>Accepted</i>
<p>MPAC has observed inadequacy on the alignment of the a) baseline, b) revised annual target</p>	<p>We have noted that there is an inconsistency and we have since</p>		<i>Accepted with reservation</i>

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>and c) actual performance under PMU on <b>page 152</b></p> <p>15. Can the AO clarify the committee about the misalignment of the three?</p>	<p>corrected the target in the current financial year.</p> <p>POE ( SDBIP 2016/17 FY)</p>		<p><b>THAT</b> MPAC has observed with concern the inadequacy on the alignment of the a) baseline, b) revised annual target and c) actual performance under PMU on <b>page 152</b> of the Annual Report.</p> <p><b>THAT</b> in future the AO must ensure that the Annual Report is properly edited and it be a quality product.</p>
<p>The committee has observed that on the <b>AR Water Project (THLM Water – Page 154)</b> the target was not achieved due to insufficient supply.</p> <p>16. Can the AO confirm to the committee that the remaining balance of <b>R2 539 786.3</b> could cover the remaining <b>39 030</b> of the household not provided</p>	<p>The remaining balance cannot cater for the 39 030 hh remaining daily. Also to consider that initial budget to cater for this project was insufficient and furthermore the budget was based on the amount of water that our service provider can provide.</p>		<p><b>Accepted</b></p>



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
with access to basic water service? If 'YES' can you convince the committee how so?			
MPAC has observed that the targets on the projects: a) <b>Twefontein K</b> , b) <b>Monitoring and Implementation of the by-laws</b> are not achieved and the reasons indicated are not adequately enough to justify non-achievement. <b>Ref. Page 157 AR (Sanitation)</b>  17. Can the AO provide adequate reason to justify 'non-achievement'?	a) The actual target to provide Twefontein K with access to basic sanitation was achieved the challenge was that there was no POE in place to justify the achievement however currently the POE is in place. b) We have noted that these target of monitoring By-Laws is not achievable because we don't have personnel in place to monitor by-laws.		<i>Accepted</i>
<b>On page 203, Component D</b> , the accounting officer made a reference to Appendix H on page 267, and Appendix H talks about bulk water and electricity, as a result we find the Appendix H to be misleading.  18. Can the accounting officer put the correct reference?	We agree with the discrepancies noted by MPAC and the error will be corrected accordingly.		<i>Accepted</i>



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<b>SOCIAL DEVELOPMENT SERVICES</b>			
<p>The committee has noted a community survey providing the following information on Pit toilets (ventilated) – for 2014/15: 15 942 and 2015/16: 27 321 and other provision of toilets – for 2014/15: 50 109 and 2015/16: 72 339. <b>Ref. to page 71-72.</b></p> <p>19. Can the AO provide a detailed information supporting the above mentioned figures?</p>	<p>The information was sourced from 2011 Stats SA as the baseline however the municipality did not implement any VIP toilets in the 2015/16 financial year. The baseline is as 2011 Stats SA.</p>	<p><b>Q:</b> Can the AO provide an informed respond in order to complement the committees understanding to avoid contradictions as there is no consistency between what is in the AR and the respond of the AO?</p> <p><b>A:</b> The AO indeed provide a limited response in this regard by assuming that it is only government institution that can build pit toilets, whereas the majority of individual households actual built their pit toilets hence the difference in number between the two financial years as recorded in the annual report.</p>	<p>MPAC has noted that the report is misleading in this regard because the society will have a feeling that the toilets are going to be built for them.</p>
<p>On <b>page 87 (Financial performance expenditure: traffic services)</b> – the committee has observed that the unit of safety and security have 48 officials.</p> <p>20. Can the accounting officer provide full details of where each of the 48 officials are placed?</p>	<p>The section Public Safety and Transport had the Traffic Law Enforcement and DLTC units under that section. The 48 employees are placed under the section. 21 of the staff are Traffic officers placed in the municipality while the rest are at the DLTC and DLTC is now under the authority of the Department of Community Safety. Please see the</p>	<p><b>Q:</b> Who is responsible for the payment of the rest of the officials under the authority of the Department of Community Safety and who these officials are? Provide their names.</p> <p><b>A:</b> THLM is responsible for the salary payment of the staff concerned. However the provincial Department of Community Safety makes available to the municipality 20% of the income</p>	

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
	copy of the Organogram for ease of reference	<p>from DLTC for payments salaries amongst other things.</p> <p><b>Q:</b> Are they reporting for work now?</p> <p><b>A:</b> There was a dispute between the department, municipality and 27 staff. In Aug 2014 there was a court order to THLM and the Department to remove total of 11 members from the DLTC office due to allegations of maladministration and to do investigation and that did not happen until May 2015. THLM instituted the investigations and then submitted its report to the department. During the month of October 2016 the municipality and the department agreed that the department will take over the running of the DLTC from the municipality and they will only absorb a total of eight (8) staff members out of 27 then remainder of the staff members will then have to be redeployed back to the administration of the municipality. However the department will continue to allocate the 20% of the subsidy for payment of the salaries for the</p>	



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
On <b>page 86 (3.9 Safety and Security)</b> , the report is silence in a way that it does not talk to how the municipal assets are being protected.	<ul style="list-style-type: none"> <li>THLM has no security personnel but appointed a private firm to provide guarding services for 24 hours daily</li> </ul>	<i>remainder of the staff among other things.</i>	
21. Can the AO explain why the information on physical security not included in the AR. is?			
On <b>page 104 (Transversal Performance Overall)</b> - MPAC has observed that the two transversal officials have been misplaced under disaster management unit and as such we have observed the underperformance.	The Department of Social Development Services is categorised into six sections with different units within those sections. Thus, the Section: Health, Transversal and Disaster Management was created for better, efficient and effective management.		<b>Accepted</b>
22. Can the AO explain to the committee why the two transversal officials are placed under disaster management?	Currently there are two employees under Transversal unit. An error occurred on the naming of the table and it will be corrected. Refer to the attached organogram.		



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<b>MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b>			
<p>MPAC has observed on the <b>adjusted annual budget page 168 under Hardware Repairs and Maintenance</b> that there is an overspending of R29 994.50.</p> <p>23. Can the AO give details on what caused the overspending and to what extend was the action plan as provided in the report implemented?</p>	<p>The municipality had budgeted as per the projection but due to unforeseen circumstances in Council Chamber, there was an additional work to be done on the recoding system. The action plan was implemented before the 30<sup>th</sup> July 2016.</p>		Accepted
<p><b>On Page (120 – 124) fleet management.</b> The committee has observed that the municipality have 130 vehicles.</p> <p>24. Can the AO provide the committee with the current status quo on which of the fleet are operational and which are not?</p>	<p>The municipality had 130 vehicles for 2015/16 financial year. During the year 15 were auctioned and there were 115 remaining.</p> <p>Currently there are 25 non-operational municipal fleet and 90 operational fleet.</p>	<p><b>Q:</b> Does the municipality have any plan about the 25 non-operational municipal fleet?</p> <p><b>A:</b> There is a service provided to repairs and maintenance of all fleet including the 25 non-operation fleet.</p> <p>The fleet maintenance program is available. It is an ongoing process. There is another process of auctioning obsolete fleet for vehicles with higher mileage.</p>	

		<p><i>The 25 vehicles will be assessed to check whether they can be repairable and which once can be disposed of.</i></p> <p><i>The municipality is in the process of investigating the process of a full maintenance lease proposal plan for the next financial year.</i></p>	
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Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>24.1. If there are those that are operational, is there any action plan in place to address the challenges?</p>	<p>The municipality intends to acquire the Full Maintenance Lease for small vehicle in 2017/18 FY, and gradually move to white big and yellow plant in 2018/19- 19/20.</p>		<p><i>Accepted</i></p>
<p>MPAC has observed that the total number of fleet as calculated from <b>page 120 to 124</b> add up to 132 whereas the annual report shows a total of 130 <b>on page 120</b>.</p> <p>25. Can the AO advise the committee as to which number is the correct one between the two?</p>	<p>The municipality had 130 vehicles for 2015/16 financial year.</p> <p>The number of fleet has changed due to the auctioning of 15 vehicles and the current number is 115.</p>	<p><b>Q:</b> The answer is not assisting the committee. Can the AO therefore answer the question appropriately?</p> <p><b>A:</b> The municipality had 132 vehicles during 2015/16 financial year, the 130 vehicles as it appears in the annual report was not updated to include the two vehicles donated by the Nkangala District Municipality.</p> <p><b>See the attached POE</b> for the 2 vehicles donated by the NDM.</p>	<p><i>Accepted</i></p>
<p>MPAC has also observed that the year models of fleet, as indicated on <b>pages 120-124</b>, are outdated.</p> <p>26. Is the fleet management policy followed to the latter since it clearly indicates that every five years/200 000km the fleet</p>	<p>Yes, the year model is outdated since most of municipal vehicles were procured by 2007 hence the auctioning of some vehicles by municipality.</p> <p>The fleet management policy is adhered to, the only reason why we cannot purchase new vehicles is that</p>		<p><i>Accepted</i></p>



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>should be evaluated and be disposed?</p>	<p>our municipality has budgetary constraints. Some vehicles were evaluated by auctioneers and auctioned during 2015/16 FY.</p>		
<p><b>On page 195 of the AR</b> the committee has observed that the municipal employees' number has decreased.</p> <p>27. Can the AO provide the skills audit report to assist the committee to check and balance whether employees have been properly placed in line with their qualifications, knowledge and expertise?</p>	<p>Our WSP indicates positions and qualifications of individuals and group individuals.</p> <p>It is believed that employees are properly since the municipality's mandate is executed.</p>	<p><b>Q:</b> The answer is not assisting the committee. Can the AO therefore answer the question appropriately?</p> <p><b>A:</b> The skilling of all staff members is an ongoing process and as such every year a WSP is developed which takes into consideration current skills levels.</p> <p>Attached see that attached POE.</p> <p>We are currently busy with the job evaluation process and job description are developed for each individual providing also the level of qualification and the duties that must be performed by each employees.</p> <p><b>Q:</b> Is the WSP same as Skills Audit Report.</p> <p><b>A:</b> They are not the same thing. Therefore there is no skills audit report for the financial year in question. The</p>	

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
		<i>best available information will be contained in the WSP.</i>	
<p>MPAC has observed that under <b>Skills Development And Training On Page 201</b> there were councillors which were trained but they are not captured in the SDBIP under training programme.</p> <p>28. Can the AO clarify the committee as to why these councillors were not captured in the SDBIP as they were offered a training during the 2015/16 financial year?</p>	<p>The project description on the SDBIP was to train officials only hence councillors training which took place could not be reported.</p> <p>Councillors training resulted from the Second window of discretionary grant applications by LGSETA, which happened after the compilation of the WSP. As a result the trainings could not be captured as part of performance in the SDBIP as they were not mentioned previously.</p>		<i>Accepted</i>
<p>On page 195 MPAC has observed that in 2015/16, there were 14 filled position under political office.</p> <p>29. Can the Accounting officer provide job description for each individual employee in the political office?</p>	<p>Attached are Job descriptions for employees in the political office</p>		<i>Accepted</i>



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<b>MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT – FINANCIAL SERVICES</b>			
<p>The poor achievement with regard to collection of own revenue appears to be a trend in the municipality. <b>Ref. page 171.</b></p> <p>30. What was the action plan for the previous financial year (2014/15) and to what extend was the plan implemented?</p>	<p>The collection of revenue in THLM has been a challenge ever since the Municipality was incepted. The municipality managed to develop two programmes to overcome challenge, namely, the data cleansing and revenue enhancement strategy. The two programmes are long term in nature and cannot yield immediate results.</p> <p>The data cleansing project was implemented partially, as is a work in progress, on what has been done, there has been some positive achievements thereof, on the revenue enhancement strategy, there have also been incentive scheme that have been approved and consumers have been coming forward to pay off their debts.</p> <p>There is no guarantee that can be provide by the AO that the implementation of the revenue enhancement strategy will yield results because the issue of the payment of services has been a</p>		Accepted
<p>The committee has noted that the municipality has <b>collected own revenue amounting to R21 129 642.25</b> instead of the <b>R62 365 000</b> which makes a difference of <b>R 41 235 357.75</b>.</p>			Accepted



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>MPAC has also noted that the reason of the AO for the poor performance is 'Non-payment of services by the consumers'. <b>Ref. page 171 of the AR.</b></p> <p>31. Can the AO give assurance to MPAC that the action plan; <b>'Implementation of revenue strategy and data cleansing'</b> as stated in the report will yield the expected results?</p>	<p>challenge over 20 years since the advent of the new system of municipal governance starting with the transition of local government in 1995 and the new municipal system in the year 2000. This has developed into a rooted culture of none payment of municipal services and so this requires long term planning and implementation of the revenue enhancement strategy, and the monitoring and review of such a strategy on an ongoing basis. This further requires the involvement of stakeholders such as councillors, ward committees, traditional leaders, management and communities.</p> <p>The implementation of revenue enhancement strategy and data cleansing will be implemented in phases, addressing the fundamental challenge in revenue collection, namely, ensuring correct consumer is billed correct amount. It will also ensure that the whole billing database is correct, making budgeting more simplified and realistic.</p>		

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>The committee observed under collection of revenue on the following items: 1) Property rates (achieved 57% instead of 100%), 2) other own revenue (achieved 66.97% instead of 100%). <b>Page 205 AR.</b></p> <p>32. Can the AO officer explain to the committee the reason for the underperformance of the above listed accounts?</p>	<p>The challenges as identified and will be addressed through the proper implementation of the Revenue Enhancement Strategy .</p>		<p><i>Accepted</i></p>
<p><b>Pages 217 &amp; 220</b> – the committee observed that revenue generation appears to be a challenge within the municipality since it appears in both AG's reports of 2014/15 and 2015/16 financial years respectively.</p> <p>33. As part of the revenue enhancement strategy of the municipality, do you have any programmes which will ensure that THLM will go directly to the community members to encourage payment of municipal services?</p>	<p>The Municipality has formulated a programme which is championed by MMC Finance Honourable L Tshabangu.</p>		<p><i>Accepted</i></p>

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
33.1. If 'YES' provide POE and if 'NO' why?	Yes POE Attached		<b>Accepted</b>
33.2. Don't you think payment for <i>proof of residence document</i> will contribute towards generation of municipal revenue?	It will definitely contribute to the revenue collection of the municipality as many people come in numbers to source the proof of residence.		<b>Accepted</b> <i>THAT</i> the council be advised to charge a service fee for issuing proof of residence document.  <i>THAT</i> in implementing the above mentioned recommendation the municipality must collect and capture accurate and correct data of House Holds.
33.3. What is the AO doing with those government institutions, businesses and lessees who are not currently paying municipal services and what is the impact thereof.	The Accounting Officer has made sure that all the reconciliations have been done and further appointed a Debt Collector who has to date managed to recover R6 951 648.40.		<b>Accepted</b>



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>MPAC has observed that the AO has neither disciplined any perpetrators of the Unauthorised Irregular, Fruitless and Wasteful Expenditures (UIF) as required by MFMA Section 32 nor took any reasonable steps to prevent such expenditures. <b>Page 220 &amp; 224.</b></p> <p>34. Can the AO explain why?</p>	<p>The Accounting Officer is still waiting for the investigation of the MPAC as per the UIF that was presented to Council in July 2016.</p>		<p><b>Accepted</b></p>
<p>The committee has observed that goods and services amounting to R200 000 were procured without obtaining necessary price quotations as required by SCM Regulation 17(a) and (c). <b>Page 224 of the AR.</b></p> <p>35. Can the AO inform the committee if there was any disciplinary actions taken against the perpetrators?</p>	<p>The goods in question though procured as such but there was no way at which the Accounting Officer could have taken any disciplinary processes as most of the expenditure in question was done in terms of the SCM Policy only to find that the Company owners are in the service of the state, further to that, the Municipality did not have a mechanism to curb that one.</p>	<p><b>Q. Why Regulation 17(a) and (c) were not complied with?</b></p> <p><b>A:</b> The whole issue of Unauthorised, Irregular, Fruitless and Wasteful expenditure (UIFW) is a serious cause for concern for the municipality and government in general. Consequence management need to be practiced.</p> <p>All the UIFW have been recorded and the report was tabled to council and as such council resolved to refer the matter to MPAC for further investigation.</p> <p>We also took our own generic investigation and the report was presented to council.</p>	<p><b>Accepted</b></p> <p>THAT in future the MPAC will appreciate to receive a report from the AO on the UIFW before the report is referred to MPAC for further investigation.</p>

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
		<p><i>We are therefore awaiting the final recommendations from MPAC for council consideration.</i></p> <p><b>Q:</b> <i>What does the AO do to ensure that the SCM processes are complied with?</i></p> <p><b>A:</b> <i>THLM have put a mechanism in place to ensure that SCM Regulations are complied with. The CFO is required to go through necessary review before matters are presented to the MM. The AO is doing a round up with employees to ensure that they comply with all necessary pieces of legislations applicable to ensure compliance.</i></p>	



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<b>MUNICIPAL MANAGER'S OFFICE</b>			
MPAC has noted that 4 out of 5 section 56 managers signed the performance agreement and furthermore we observed that the envisaged performance assessment was not conducted due to delay in the appointment of the assistant manager PMS and the workload in her office. Page: 181 AR.	There was confusion on the part of SDS manager regarding planning functions which he thought was being taken away from his department following the revised organogram of May 2015. How ever the municipal manager clarified him that he will still remain responsible for the execution of the planning functions as per his terms of contract.		Accepted
36. Can the AO benefit the committee of what were the personal reasons of the SDS member for not signing the performance agreement and what is the status quo thereof?			
36.1. Can the AO explain to MPAC how does the signing of the performance agreement at the end of the financial year impact on the work progress of the municipality, particularly in the SDS Department?	There was no impact on the work of the municipality particularly in the SDS department as monthly performance reports were monitored on quarterly basis as per the SDBIP and submitted to Council for approval.		Accepted



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
36.2. Can the AO furnish the committee with the workforce report of the PMS unit?	Currently we only have one warm body in the PMS unit appointed as the Assistant Manager. Organogram is attached for verification of workforce in PMS unit		<b>Accepted</b>  <i>THAT the municipal manager consider appointing additional support personnel in PMS unit to enhance effectiveness and efficiency in the unit.</i>
MPAC has observed that the Mayoral Outreach programs were not achieved on allegations that the stakeholders did not sit due to non-attendance. <b>Page 184 AR – office of the speaker</b>  37. Can the AO provide the committee with the action plan to ensure that the challenge does not recur in the future considering other stakeholders who are supposed to be part of the mayoral Imbizo?	The AO has already corrected the occurrence in the current financial year in that the time program on Mayoral Izimbizo has been changed from 09h00 to 17h00 for all business stakeholders to attend and attendance has been satisfactory.		<b>Accepted</b>
MPAC has observed that the annual target for 2015/16 in respect of the IA was to achieve <b>2</b>	This is due to the shortage of staff in the unit after the resignation of the former CAE however 1 <sup>st</sup> training for 2016/17 has been conducted and		<b>Accepted</b>

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<b>Audit Charter workshops by 30 June 2016. Page 182</b>	the attendance register is attached as a POE.		
38. Can the AO explain the non-achievement to the targets?			
MPAC has observed that the Youth Unit provided no budget under the target: <b>Integrated Youth Development Strategy approved by 30 June 2016</b> but on the challenges they allege that they could not perform due to lack of budget. <b>Page 185 of the AR.</b>	The unit intended to conduct a comprehensive research study and the skill audit before the integrated youth strategy could be finalised, but due to the lack of research capacity in our municipality and financial constraint to source external services the strategy could not be finalised timeously. However the draft strategy is available to be processed accordingly.	<p><b>Q.</b> How does the issue of budget impact on the performance target, as at the initial phase there was no budget provision in the performance management report?</p> <p><b>A.</b> THLM had financial constraints at the time of budgeting and the unit was expected to source out funding from externally. The budget does not necessarily affect the implementation of the strategy.</p> <p><b>Q:</b> So what led to the failure of the unit to reach the target?</p> <p><b>A:</b> The unit intended to conduct a comprehensive research study and the skill audit before the integrated youth strategy could be finalised, but due to the lack of research capacity in our municipality and financial constraint to source external services the strategy</p>	Accepted
39. Can AO explain the contradiction of these statements?			



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
		<p>could not be finalised timeously. However the draft strategy is available to be processed accordingly.</p> <p>We are beginning to see improvement in the confidence of the unit.</p> <p>See the attached <i><b>Draft Integrated Youth Development Strategy</b></i></p>	
<p>The committee has observed poor performance of the communication unit with regard to the following revised annual target: <b>4 presidential hotline reports submitted by 30 June 2016</b> and the reason for poor performance is 'lack of personnel'. Page 188 – AR.</p> <p>40. Can the AO explain to the committee whether by the time of planning, he (AO) was aware or not aware about the lack of personnel within the unit?</p>	<p>The AO is aware of the lack of personnel in the unit. There is a person who was assigned to the Presidential Hotline who was later withdrawn due to other work commitments, hence there was poor performance. An official will be placed in the unit to generate Presidential Hotline reports for the unit.</p>		<p><b>Accepted</b></p> <p><i><b>THAT</b></i> pending the budget for 2017/18, the assistant manager communications be allocated the responsibility to manage presidential Hotline as part of his/her duties so that the Hotline services can be discharged.</p>
<p>MPAC has observed that there was a vacancy of the CRO for a considerable period of time and as</p>	<p>After the interviews for the CRO post there were some disputes regarding the process of interviews by one of</p>		<p><b>Accepted</b></p>



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>result of that, no targets were achieved under Risk Management unit. <b>Page 186 – AR.</b></p> <p>41. What has delayed the AO in filling the position of the CRO?</p>	<p>the candidates, therefore it was advisable for the Accounting Officer to resolve the dispute before the final appointment can be made. Furthermore after the dispute was resolved, the appointment was made and the candidate was informed by December 2015 hence the candidate started February 2017.</p>		

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<b>CHAPTER 6</b>			
Based on the <b>KPA 'Received unqualified audit opinion' page 175</b> – the municipality planned to implement the audit action plan by 100% at the end of the financial year 2015/16 but only 50% was achieved at the end of day. It is also noted, after the implementation of the action plan at 50%, that the municipality still got qualified opinion for 2015/16 financial year.  42. Can the AO explain to the committee the reason for not achieving 100% progress on implementation of the audit action plan?	The municipality has been receiving qualified opinion for the past ten years since 20106 due to various reasons including capacity challenges. To that extent the municipality under administration since 2009 -20011 all those had an impact on how municipality managed its financial affairs. Therefrom the reason for failure to achieve 100% is because of historical and prior years errors which are being progressively corrected.	<i>Q: Can the AO clarify the committee about the year specified in his respond to the question?</i>  <i>A: It is the typing error (poor workmanship) the 20106 is 2006 and the 20011 is 2011</i>	
42.1. Can the AO give assurance that the audit action plan for the year under review: 2015/16) will be achieved?	The AO commits that the implementation of the audit action plan will be monitored weekly in the management meetings.	<i>Q: Can the AO share with the committee progress made in relation to the implementation of the Audit Action Plan 2015/16.</i>  <i>A: Management is dealing with the AAP every week. Management have committed to the AG that on matters of</i>	

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>On Page 218, 222 and 223 – the AG reported the material loss and material impairment in both 2014/15 and 2015/16 financial years.</p> <p>43. Why is this audit query recurring and will the current action plan ensure that this query will not recur in 2016/17 AG's report?</p>	<p>The query is as a result of low collection rate which is at a margin of 5%, the Municipality therefore has to impair 95%, the query is recurring as a result of the fact that even last year the collection rate was very low.</p> <p>Material loss audit query also occurred as a result of the fact that most of the villages in THLM are still not metered as a result the water losses the Municipality is experiencing remains a challenge as even now.</p> <p>The current audit action as much as it is well developed but to address these two relies on the improved collection rate, and the installation of the meters in all villages.</p>	<p><i>Qualification we will address them before the end of March. There is indeed good progress. The management is aiming at a better opinion for 2016/17.</i></p>	<p>Accepted</p>
<p>The committee observed that the submitted Annual Financial Statements (AFS) to AG were not prepared in all material respect in</p>	<p>This was as result of the late finalization of the Fixed Asset Register, the service provider deployed by National Treasury to</p>		<p>Accepted</p>



Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
<p>accordance with section 122 of the MFMA. <b>Page 224 - AR</b></p> <p>44. Does the municipality have the necessary expertise/skills/capacity to prepare credible AFS?</p>	<p>finalize our FAR finished on the last day of the submission of the FAR, there was no enough time to review the financials.</p> <p>The municipality does have the expertise/skills/ capacity to prepare credible AFS as we were directly working with the Preparers and also in terms of the information supplied and audited, there were less issues.</p> <p>The 2016/17 AFS will indeed be prepared in accordance with section 122 of the MFMA as we have started with the preparations as early as now.</p>		
<p>44.1. Can the AO provide assurance to the committee that the 2016/17 AFS's will be prepared in accordance with section 122 of the MFMA?</p>	<p>Management noted the observation however the observation and the question seem to be generic therefore it makes it difficult for the AO to provide specific answer. MAPC is respectfully requested to give specific line items of the Audit action plan that do not dress root causes</p>	<p>Specifically key audit finding no. 4 (p377), 7 (p377), 9 – 12 (p378), 30 (p379), 24, 27 (p382), 29 (p383), 47, 48, 57 (p384), 56, 58, 60 (p387), 36 (p389), 80, 82 (p390)</p> <p><b>A:</b> Management accept the observation of MPAC on the fact that the above mentioned audit action plans does not sufficiently address the root causes. As a result in reviewing the audit action plan the AG has also come</p>	<p><i>Accepted</i></p>
<p>MPAC has observed that the majority of the action plans which are captured inside the AG's action plan are not addressing the root cause of the findings. E.g. all the action plans in <b>Page 378</b>.</p> <p>45. Can the AO explain the reason why?</p>			<p><i>Accepted</i></p>

Question	Respond of the Accounting Officer	Follow-up Question & Respond	MPAC Comments and Recommendations
		<p>to the same conclusion. Therefore management has developed a revised Audit Action Plan which seeks to sufficiently address the root causes of each line item.</p> <p>The revised Audit Action Plan will be submitted to MPAC by no later than close on business on Wednesday, 22 March 2016.</p> <p><b>See attached POE as the revised Audit Action Plan.</b></p>	

I confirm that the MPAC questions were answered in full and the accompanying portfolio of evidence is attached as requested.

I hope the above is in order.

Yours sincerely,

ON Nkosi  
Municipal Manager  
Date: 16 March 2017

# **ANNEXURE D**

## **REPRESENTATIONS**



# THEMBISILE HANI LOCAL MUNICIPALITY'S AUDIT COMMITTEE REPORT TO COUNCIL FOR THE ANNUAL REPORT REVIEW

## 1. INTRODUCTION

The Audit Committee has a responsibility read annual report to ensure whether is consist with knowledge gain during year.

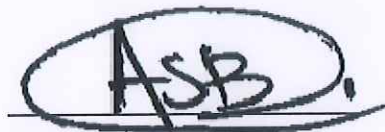
## 2. PURPOSE

The purpose of this report is to report and highlight some of significant findings identified while performing a consistency review on the annual report to Council.

## 3. MATTERS

No material findings were noted by audit committee, thus we concur with the annual report to be submitted to Council for adoption.

Regards

A handwritten signature in black ink, consisting of the letters 'SAB' followed by a stylized flourish, all enclosed within an oval shape.

Mr. SAB Ngobeni

Chairperson: Thembisile Hani Local Municipality Audit Committee

Date: 09 March 2017

# Chapter 2

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Municipality has not conducted any public satisfaction survey. However the municipality has conducted public participation meetings as part of the Mayoral outreach. These participation meetings to some extent were a mirror with which to gauge public satisfaction on the service provided by the municipality. These meetings serve to address some of the constraints and challenges the municipal council and communities face. About 71 mayoral outreach meetings were held during 2015/2016 financial year.

Comment [M1]: Not included under the Table of contents

# Chapter 3

The capital expenditure is on the performance report table.

## 3.2 WASTE WATER (SANITATION) PROVISION

Comment [M2]: Your wording color differs to 3.1 & 3.3

### INTRODUCTION TO SANITATION PROVISION

Majority of communities within the Municipality use pit toilets, 25% of the communities have VIP (Ventilated Improved Pit) toilets, 4% have septic tanks and only 4% have water borne system. Since 2011/12 the communities have rejected the VIP toilets and prefer the water borne system, and the current backlog still remains at 75%. Areas making 4% are: KwaMhlanga serviced by 3 x 0.5 ML/day Oxidation Ponds and Tweefontein K by 0.75 ML/day Waste Water Treatment Works.

During the 2015/16 Tweefontein K waste water treatment works was upgraded with 0.75 ml/d which then make it to a total capacity of 1.5 ml/day. Preliminary Designs for Luthile waste treatment works for 13ml/d for various villages within Thembisile to eradicate the backlog which is huge on sanitation was conducted during the 2015/16 financial year. This a 20 year plan.

### MEASURES TAKEN TO IMPROVE PERFORMANCE

Through IDP processes all communities are involved in voicing their needs to the municipal officials and councillors. The sections providing service is aimed at ensuring proper rendering of sanitation services while preventing environmental pollution caused by poor sanitation services

### OVERALL PERFORMANCE COMMENT ON SANITATION

Through the WSOG during 2015/16 the municipality have done refurbishment of oxidation ponds and improving operations and maintenance at Tweefontein k Waste water treatment works which aims at improving green drop score (instalation of flow meters) and improvement of waste water quality. The Municipality's Green Drop score is still based on 2011 results which is 25.68% and for 2014/2015 assessment are not yet done by Department of Water and Sanitation, the municipality is still waiting for the dates to conduct The baseline information below was sourced from 2011 Statistics

Sanitation Service Delivery Levels		
Household		
Description	2014/2015	2015/2016
	Outcome	Outcome
	No.	No.
<b>Sanitation/sewerage: (above minimum level)</b>		
Flush toilet (connected to sewerage)	3 024	3 024
Flush toilet (with septic tank)	3 686	3 686
Chemical toilet	880	880
Pit toilet (ventilated)	15 942	15 942
Other toilet provisions (above min.service level)	0	0
Minimum Service Level and Above sub-total	23 532	23 532
Minimum Service Level and Above Percentage	31.1%	31.1%
<b>Sanitation/sewerage: (below minimum level)</b>		
Bucket toilet	0	0



# Chapter 3

## 3.4 WASTE MANAGEMENT (THIS SECTION INCLUDES REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND CEMENTORIES)

Comment [M3]: Same comment under 3.2

### INTRODUCTION TO WASTE MANAGEMENT

The Waste Management section's function is to provide an acceptable, affordable and sustainable waste collection to all the residents of Thembisile Hani Local Municipality.

Description of the activity:-

- Refuse removal
- Street cleansing
- Clearing of illegal dumping sites

Solid Waste Service Delivery Levels			
Description	Households		
	2013/2014	2014/2015	2015/2016
	Actual	Actual	Actual
	No.	No.	No.
<b><u>Solid Waste Removal: (Minimum level)</u></b>			
Removed at least fortnight	73387	66495	111595
<b>Total number of households</b>	73387	66495	111595

# Chapter 3

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

- The Council accepts that they are responsible for the rendering of services in terms of schedules 4 and 5 of the Constitution as well as other services which may be delegated by National and Provincial Government.
- Main sources of income consist of transfers from other spheres of government of which intergovernmental transfers are the most important. A portion of this income (equitable share) is earmarked for indigent relief which will be used to alleviate and address poverty
- The municipality gives 6kl in respect of water to all our residential clients and we do not have an approved indigent register wherein we can make projections with regard to spending, billing etc.
- There is a portion of money paid over to Eskom on behalf of our clients for the 50kw of electricity provided to each household

### CHALLENGES:

- No indigent register in place

## COMPONENT B: ROAD TRANSPORT

## 3.7 ROADS AND STORM WATER

The Municipal road network which serves as feeder roads to national road known as Moloto road R573, forms the backbone of our transportation system, making it possible to access both personal and economic needs within its jurisdiction and to meet the mobility and socio-economic needs of the communities. As the responsible Roads Authority for the construction and operations maintenance of the Municipal road network, Thembisile Hani Local Municipality has ensured that its strategic planning processes are in line with the municipal acts e.g. DoRA, which provide guidance to the allocated funds within the Municipalities. Therefore the Municipality achieved its road planning strategy by entirely depending on the allocated Municipal Infrastructure grants (MIG) and its operational and maintenance funds. Major success in some villages of THLM, has been noticed through the work done by the municipal maintenance teams and by the District Municipality. The challenges faced by the Municipality during 2015/16 FY, was mainly insufficient budget on both construction and maintenance due to the reprioritization of budget to cater water projects, insufficient resources and collection of revenue. In order to improve performance, the Municipality drafted a programme of action, and made sure that resources are utilized efficiently and effectively so. During this period, assistance was also received from Nkangala District Municipality.

Gravel road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded or maintained
2013/2014	814	86.5km	14.8	0
2014/2015	814	41.16km	4.05	46.8
2015/2016	967.37	88km	0km	2.2km

Comment [M4]: Same as note under 3.2

Comment [M5]: Check also, it is not clear

# Chapter 3

Asphalted Road Infrastructure Kilometers					
	Total asphalted roads	New asphalt roads(km)	Existing asphalt roads re-asphalted (km)	Existing asphalt roads re-sheeted(km)	Asphalt roads maintained (no.)
2013/2014	95.48km	14.8km	0km	0km	
2014/2015	95.48km	4.05km	0km	0km	
2015/2016	95.48km	0km	0km	0km	12 roads maintained

## EMPLOYEE INFORMATION

Employees: Roads and stormwater					
Job Level	2014/2015 Employees	Posts	2015/2016		
			Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	0	0	0	0	0%
10 - 12	30	27	25	2	4%
13 - 15	21	24	22	2	19%
Total	54	54	50	4	7.4%

## FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2014/2015 AND 2015/2016: ROAD AND STORM WATER

VOTE	DETAIL	2014/2015 BUDGET	2014/2015 ACTUAL	2015/2016 BUDGET	2015/2016 ACTUAL
550	SALARIES	3 182 068	3 182 181	8 031 287	7 340 318
550	BONUS	341 226	265 148	676 840	619 219
550	SALGBC	2 977	1 953	4 872	4 408
550	ACTING ALLOWANCE	0	0	44 026	45 049
550	OVERTIME	0	0	0	0

Comment [NL6]: ALIGNMENT



# Chapter 3

550	PENSION CONTRIBUTIONS	664 000	663 356	1 652 583	1 491 099
550	MEDICAL AID CONTRIBUTION	230 000	242 768	585 531	504 722
550	HOUSING SUBSIDIES	0	0	5 496	2 748
550	UIF CONTRIBUTION	34 000	33 964	81 633	75 090
550	CELLPHONE ALLOWANCES	9 900	19 200	33 000	31 200
550	REPAIRS & MAINT OF STORM WATER	0	0	0	0
550	REHABILITATION OF BORROWPITS	0	0	0	0
550	MAINTENANCE OF BORROWPITS	0	0	0	0
550	REPAIRS OF MICHINERY & EQUIP	0	0	0	0
550	SKILLS DEVELOPMENT LEVY	36 000	34 703	80 856	80 474
550	MATERIALS AND SUPPLIES	0	0	600 000	755 717
550	APPLICATION & REG FOR BORROW P	0	0	0	0
550	TESTING OF MATERIALS	0	0	0	0
550	DEVELOPMENT OF SACTOR PLANS	0	0	0	0
550	SUBSISTANCE ALL	0	0	0	3 326
550	MACHINERY AND EQUIPMENT	0	0	0	0
550	SEWERAGE	0	0		

Comment [NL7]: INCLUDE NUMBERS ON THE BLOCKS

# Chapter 3

## 3.8 BUSINESS LICENCING AND ADMINISTRATION

Comment [M8]: Same as above & below. Same as below

### INTRODUCTION TO LICENCING

The municipality administers and manages business operations within its jurisdiction – specifically in the following categories; sale or supply of meals or perishable foodstuffs, provision of certain types of health facilities or entertainment, and hawking in meals or perishable foodstuffs in terms of Mpumalanga Business Act, no 2 of 1996.

### Working Relationships

The Environmental Health Practitioners under the Department of Health, acting on behalf of the District Municipality, together with Municipal staff perform environmental health inspections prior to issuing of licences for purpose of compliance with standards for business buildings.

The Municipality inspects applications for liquor licences to comment on compliance issues related to land-use management and operating times.

### COMMENT ON BUSINESS LICENCING AND ADMINISTRATION PERFORMANCE OVERALL

The Municipality has approved Street Trading By-law during 2012/2013 financial year. 120 business trading licences were processed during the year under review.

### EMPLOYEE INFORMATION

Employees: Business licensing and administration					
Job Level	2013/2014	2014/2015			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	2	2	2	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	2	2	2	0	0%

# Chapter 3

## EMPLOYEE INFORMATION

Employees: Safety and security					
Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	9	14	9	5	36%
7 - 9	2	8	4	4	50%
10 - 12	42	38	30	8	21%
13 - 15	4	4	4	0	0%
Total	57	65	48	17	26%

## FINANCIAL PERFORMANCE EXPENDITURE 2014/2015 AND 2015/2016 FINANCIAL YEAR: TRAFFIC SERVICES

VOTE	DETAIL	2014/2015 BUDGET	2014/2015 ACTUAL	2015/2016 BUDGET	2015/2016 ACTUAL
108	SALARIES	3 000 471	3 000 191	8 521 222	8 300 850
108	BONUS	167 602	250 016	711 289	692 326
108	SALGBC	1 500	1 383	4 263	4 067
108	ACTING ALLOWANCE	0		0	0
108	OVERTIME	0		0	0
108	PENSION CONTRIBUTIONS	650 000	642 457	1 738 088	1 689 040
108	MEDICAL AID CONTRIBUTIONS	300 000	310 616	1 209 547	968 451
108	HOUSING SUBSIDIES	16 488	16 488	24 732	27 870

**Comment [NL9]:** Include numbers on the blank areas. Same as below



# Chapter 3

## COMPONENT C: PLANNING AND DEVELOPMENT

### 3.10 PLANNING INCLUDING TOWN-PLANNING

#### INTRODUCTION TO PLANNING

Physical Planning	
Opportunities	Challenges
High Proportion of Land use management Application	<ul style="list-style-type: none"> <li>Delays in turn around time in terms of finalising applications.</li> </ul>
Availability of developable land within THLM	<ul style="list-style-type: none"> <li>Most of the land is vested to National and Provincial governments.</li> <li>Land invasion is perpetuated allegedly by tribal formations.</li> </ul>

#### SERVICE STATISTICS FOR PLANNING

Development Planning and Building Control

#### EMPLOYEE INFORMATION

Employees: Town Planning Services					
Job Level	2014/2015 Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	0		0	0	0%
4 - 6	4	1	1	0	0%
7 - 9	1	1	0	1	50%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	5	2	1	0	50%

**Comment [M10]:** Include no on the next column "posts"

#### COMMENT ON TOWN PLANNING PERFORMANCE OVERALL

Nkangala District Municipality has appointed Sisonke Development Planners to facilitate a process of state land release on portion 1, 4 and 5 Vlagklaagte 221JR; other town planning activities are conducted in Mahlabathini, Vlaklaagteview, Gembokspruit Ext.1, Gemboksfontein 199JR, Tweefontein F township, Kwaggafontein B and Tweefontein A.

Department of Rural Development and Land Reform is currently assisting the Municipality to develop Land Use By-law.

# Chapter 3

the community on Ikwekwezi FM, MCRS and Nkangala Community Radio Station and on the municipal notice boards that are mounted in our municipal buildings. We also issue media statements when there are issues that need to be communicated or clarified by the municipality. We have also embarked on Social media as it is currently growing as technology in advancing. Our facebook page is active and it is updated as and when there is a need.

## FINANCIAL PERFORMANCE EXPENDITURE FOR 2054/16: MUNICIPAL MANAGER'S OFFICE (INTERNAL AUDIT, RISK MANAGEMENT, YOUTH DEVELOPMENT AND OTHER UNITS)

VOTE	DETAIL	2014/2015 BUDGET	2014/2015 ACTUAL	2015/2016 BUDGET	2015/2016 ACTUAL
		7 120 850	6 334 307	7 263 619	7 419 533
102	SALARIES				
102	BONUS	383 949	423 086	605 302	488 804
102	SALGBC	1 600	1 403	1 914	1 958
102	ACTING ALLOWANCE	0		3 111	3 111
102	PENSION CONTRIBUTIONS	702 000	679 307	913 559	903 576
102	MEDICAL AID CONTRIBUTIONS	410 894	367 958	451 595	444 237
102	HOUSING SUBSIDIES	0		0	0
102	UNIFORM CONTRIBUTIONS	42 744	31 317	62 163	40 424
102	OVERTIME	0		62 278	0
102	TRAVEL ALLOWANCES	678 000	663 000	618 000	579 000
102	CELLPHONE ALLOWANCES	114 600	113 700	110 400	117 150
102	MEMBERSHIP FEES	0	0	3 350	4 058
102	DEPUTATION COSTS	0	0	0	0
102	PRINTING AND STATIONERY	0		0	0
102	SKILLS DEVELOPMENT LEVY	80 212	75 035	60 379	87 686
102	ENTERTAINMENT	0	0	0	0
102	TRAVELLING AND SUBSISTANCE	100 000	106 119	115 000	189 692
102	ACCOMODATION AND MEALS	33 536	30 978	55 000	49 817
102	INTERNAL AUDIT	0	0	0	0
102	YOUTH DEVELOPMENT PROGRAMMES	0	0	0	0
102	RISK MANAGEMENT	0	0	0	0
102	INTERNAL AUDIT SOFTWARE	0	0	100 000	88 117

Comment [M11]: ALIGNMENT

Comment [M12]: INCLUDE NUMBER ON THE ACTUAL 2014/15, SAME AS BELOW

# Chapter 3

102	PROVISION FOR LEAVE	0	0	5 630 223	1 142 898
102	PROVISION FOR BONUS	0	0	3 483 828	- 224 301

## COMMENT ON STRATEGIC PLANNING PERFORMANCE OVERALL

The department of Municipal Manager does not dispose over any capital projects and functions mainly focus on compliance with various Acts and regulations.

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries; sports, art & culture, community halls; a child care; aged care; social programmes, gender.

### 3.13 LIBRARIES, EDUCATION, COMMUNITY FACILITIES AND SPORTS,CEMETORIES AND CREMATORIALS

Comment [M13]: SAME WITH ABOVE

## INTRODUCTION TO LIBRARIES AND OTHERS

### LIBRARIES

The municipal library services play a very important role in the work, education, and culture. The services that the libraries provide help people to carry out their work, studies and leisure time activities. Librarians assist anyone who needs assistance in finding information from books, encyclopedias, Encarta, pamphlets, periodicals and internet to meet their needs.

Community members take part in special programs and events in the library section, e.g., school projects, storytelling, reading clubs, etc.

Service Objectives	Service Targets	2012/13	2013/14	2014/15	2015/16
-Library Campaigns		-Heritage and Literacy Month (Thembisile Library & Phumula Library)  -World-Book Day (Phumula Library.	-Library Week at Verena  -Mandela Day by Thembisile (Asakhane Creche)	-Literacy Campaign conducted (Lopspruit Library)  -Library Week Campaign. conducted	-Library Marketing event at Phumula library  -Library Week Campaign at Thembisile Library.  -Youth Month Celebration at Boukenhouthoek



# Chapter 3

The national women's day celebration was held on 17 September 2014 at the Council Chamber.

## Disability Day Celebration

The municipality conducted awareness on mainstreaming disability issues on the 24 October 2014 at Kwaggafontein Hall

## FINANCIAL PERFORMANCE 2013/14 AND 2014/15: CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The child care, aged care and social programme are using the same vote with Libraries under Vote 107: social development services.

## COMPONENT E: HEALTH AND ENVIROMENTAL PROTECTION

### 3.15 HEALTH INSPECTION OF PREMISE AND BUSINESS FOR LICENCING

Comment [M16]: COLOR STILL

Environmental Health Services continued to be provided without funding from National Treasury. With a limited budget and diminishing resources the nine functional areas relating to environmental health services as defined in the National Health Act, No. 61 of 2003 were carried out but not fully to ensure effective and efficient service delivery within the areas of Thembisile.

The service delivery priorities focused on water quality monitoring, food quality and safety, health surveillance of premises and vector control. However the departmental of Technical Services was used for the monitoring of water quality.

## COMMENT ON HEALTH INSPECTION AND ENVIROMENTAL HEALTH PERFORMANCE OVERALL

The municipal conducted twelve (12) business inspections in six (6) villages. Routine business inspections were conducted by the Environmental Health Practitioner.

Employees: Health Inspection (environmental health)					
Job Level	2013/13	2014/2015		Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Employees	Posts	Employees		
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	1	1	1	0	0%

## POLLUTION CONTROL AND BIO DIVERSITY; LANDSCAPE

Pollution control, Bio Diversity and Landscape are not applicable to Thembisile Hani Local Municipality

# Chapter 3

Employees: disaster management					
Service objective	2013/2014				
	Outlive service	Expenditure		2014-2015	2015-2016
Awareness campaign	25 Dignitary packs distributed to Albinism People and self-esteem was build amongst them	-			Albinism awareness campaign June 2016
Awareness campaign	Children rights and responsibility were clearly explained to the kids	-			Child Protection week 05 June 2016
Seminar	150 Disabled people attended the seminar	-			Entrepreneur seminar for people with disability 22 October 2015
Awards ceremonies	Five women projects of Thembisile won the wards and the overarll winner	-			Women builders awards 27 August 2015
Mandela day celebration	100 pumpers donated to the centre, planting of vegetables, and cleaning of the centre	-			Mandela day celebration 17 July 2015
Mandela day celebration	Food security and groceries for the Tholulwazi disability centre				Mandela Day 22 July 2015
Mandela day celebration	5 old aged people benefited Walking sticks and 6 Disability people benefited wheel chairs	-			Mandela Day celebration 23 July 2015
Job Readiness for people with disability	Registering people with disability in the data base of Department of Labour for employment			Job Readiness for people with disability 24 October 2014	

**Comment [M17]:** WHY THE BLANK COLUMN? SHOULD THERE BE NOTHING IN THE OTHER EMPTY BLOCKS, OTHERWISE SHIW N/A

**Comment [M18]:** FIX THE COLUMNS, THEY ARE NOT ALIGNED

# Chapter 3

## EXPENDITURE ON EXECUTIVE AND COUNCIL FOR 2014/2015 AND 2015/2016 FINANCIAL YEAR:

VOTE	DETAIL	2014/2015 BUDGET	2014/2015 ACTUAL	2015/2016 BUDGET	2015/2016 ACTUAL
100	SALARIES	3 349 381	2 983 021	3 100 000	3 179 519
100	PENSION CONTRIBUTIONS	1 750 000	1 740 279	2 091 899	2 084 339
100	MEDICAL AID CONTRIBUTIONS	264 475	256 056	400 564	331 500
100	TRAVEL ALLOWANCES	3 119 517	4 023 268	4 472 405	4 433 389
100	CELLPHONE ALLOWANCES	1 496 312	1 348 336	1 335 552	1 311 434
100	CLR ALLOWANCES	8 261 756	7 872 094	8 390 456	8 496 345
100	INFRASTRUCTURE DEPRECIATION	0	85 165 644	105 254 900	112 819 502.34
100	RENTAL OF OFFICE EQUIP	5 133	768 939	0	0
100	MEMBERSHIP FEES	345 232	448 747	1 142 237	1 144 852
100	SKILLS DEVELOPMENT LEVY	112 648	108 984	193 034	117 403
100	PUBLIC PARTICIPATION	123 727	122 200	0	0
100	AUDIT COMMITTEES	169 330	141 535	5 060 000	4 452 776
100	CATERING	0			
100	ELECTRICITY AND WATER / MUNICIPAL SERVICE	5 663 705	5 670 403	5 575 780	5 974 797
100	REFRESHMENTS:EXEC MAYOR	0	0	0	0
100	REFRESHMENT SPEAKER	0	0	0	0

Comment [M19]: PUT NOS ON THE  
EMPTY BOXES



# Chapter 3

100	REFRESHMENT CHIEFWHIP	0	0	0	0
100	REFRESHMENT : MPAC	0	0	0	0
100	REFRESHMENT :MMC	0	0	0	0
100	REFRESHMENT : SECTION 79	0	0	0	0
100	TRAVELLING AND SUBSISTANCE	54 972	68 596	60 000	55 448
100	ACCOMODATION AND MEALS	100 000	135 857	160 000	151 612
100	TELECOMMUNICATIONS	1 413 520	1 650 914	1 015 184	1 701 892
100	INSURANCE	1 963 349	1 364 759	2 154 247	1 175 595
100	WARD COMMITTEES EXPENDITURE	4 010 500	3 966 000	4 300 000	3 754 000
100	AUDIT FEES	4 348 766	4 337 834	5 060 000	4 452 776
100	PROV FOR BAD DEBTS	55 997 200	90 140 595	58 685 065	163 634 327.27
100	VEHICLES	0	0	563 190	563 918
100	PROVISION BAD DEBTS TRAFFIC FINES	0	0	2 637 871	954 059

**Comment [M20]:** SAME AS ABOVE. FIX THE LINE SEAPARATING THE ROWS FOR PROV FOR BAD DEBTS & VEHICLES

# Chapter 3

104	W C C CONTRIBUTIONS	0	0	526 000	526 000
104	OVERTIME	0	0	60 000	60 000
104	TRAVEL ALLOWANCES	350 500	348 000	300 000	300 000
104	CELLPHONE ALLOWANCES	45000	37 330	69 079	69 079
104	VALUATION ROLL	870 060	763 211	526 000	526 000
104	MUNSOFT UPGRADE & MAINTENANCE	0	0	0	0
104	MEMBERSHIP FEES	0	0	0	0
104	BANK CHARGES	200 000	152 989	200 000	296 582
104	PRINTING AND STATIONERY	250 939	92 386	-	0
104	SKILLS DEVELOPMENT LEVY	63 821	93 303	100 684	97 085
104	ENTERTAINMENT	0	0	0	0
104	FMG EXPENDITURE	1 240 000	1 240 000	1 122 000	1 122 000
104	SOFTWARE LICENCES	534 005	702 487	0	0
104	TRAVEL AND ACCOMMODATION	0	0	0	0
104	TRAVELLING AND SUBSISTANCE	11 537	10 322	76198	70 519
104	POSTAGE	45 335	0	0	0
104	BUDGET PROCESS	0	0	0	0
104	SOFTWARE CONSULTANCY	0	0	0	0

Comment [M21]: PUT A NUMBER  
PLEASE

# Chapter 3

104	MSIG	934 000	934 000	930 000	930 000
104	GRAP IMPLEMENTATION -FMG	0	0	1 622 807	1 622 807
104	GRAP IMPLEMENTATION - MSIG	0	0	0	0
104	DATA CLEANSING INDIGENT REGIST			0	0
104	ASS REG & INVENTORY MANAGEMENT			0	0
104	VAT RECOVERY			3 700 601	3 960 701
104	METER READING MACHINES			0	0

Comment [M22]: SAME AS ABOVE FOR THESE ONES

## 3.19 HUMAN RESOURCE(CORPORATE) SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

The municipality has submitted to the Department of Labour the Employment Equity report and return of earnings in terms of the Employment Equity Act and the Compensation for occupational injuries and disease Act. Respectively. ; the Work Skills Plan is submitted to the Local Government SETA and 15 was also approved by the Council.

The reprioritised critical posts to the 2015/2016 financial year were filled based on the organisational structure. . All the HR policies were reviewed and adopted by Council. . The municipality is has undertaken the organisational reengineering to ensure that the organisation is in alignment with the IDP and Budget as well as to ensure that the employees job descriptions are aligned with these strategic documents

### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Total personnel expenditure trends in the last two years

The following table reflects the total personnel expenditure trends from 2014/2015 to 2015/2016

Financial Year	(R)
2014/2015	104,534,024
2015/2016	128, 519, 456



# Chapter 3

## 3.24 FINANCE

### AUDIT COMMITTEE ANNUAL REPORT 2015/16

We are pleased to present our report for the financial year ended 30 June 2016.

#### 1. Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

#### 2. Audit Committee members and attendance

The Audit Committee, consisting of independent outside members listed below, meets at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises.

Name of Member	Number of meetings attended
SAB Ngobeni (Chairperson)	06 out of 6
T Matabane	04 out of 6
Z Nzimande	04 out of 6

#### The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the municipality revealed certain weaknesses, which were then raised with the municipality.

There has been an improvement in the system of internal control of the municipality and reducing qualification issues of previous year. There are several deficiencies in the system of internal control and/or deviations there were reported by the internal auditors and the Auditor-General. In certain instances, the matters reported previously have not been fully and satisfactorily addressed. The Audit Committee notes management's commitment to correct the deficiencies. During the year under review there was consistent monitoring of action plans and progress.

#### 3. In-Year Management and Monthly/Quarterly Report

The municipality has monthly and quarterly reporting system to the Council as required by the Municipal Finance Management Act (MFMA). Monitoring and reviews of performance information were periodically in the year under review.

**Comment [M23]:** Should this not be numbered 3 & one below no.4

# Chapter 3

## 4. Performance Management

The AC reviewed functionality of the performance management system and it appears to be functional, however there is a room for improvement in so far as achievement of planned targets is concerned and increasing capacity within the performance management unit.

## 5. Risk Management

The AC is of the opinion that municipality's risk management appears to be effective for the better of the year and material respect, and the municipality did implement a comprehensive risk management strategy and related policies. Management has a sound and effective approach has been followed in developing strategic risk management plans and there is an sense of appreciation of the impact of the municipality's risk management framework on the control environment.

Furthermore, the AC did review the municipality's fraud prevention plan so as to be satisfied that the municipality has appropriate processes and systems in place to capture, monitor and effectively investigate fraudulent activities.

## 7. Compliance with laws and regulations

A number of non-compliance with the enabling laws and regulations were revealed by Internal Audit during the year. Thus there is a room for improvement in so far as establishing an effective system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

## 8. Internal Audit

The AC is satisfied with the effectiveness of Internal Audit, and commend Management and Council for capacitating this unit. The above conclusion is based on:

- Reviewal with management and approval the internal audit charter, strategic and operational plans, internal audit activities, staffing (including competence and qualifications), and organisational structure of the Internal Audit Unit;
- Implementation of the approved the annual internal audit plan and all major changes to the plan.
- There were no unjustified restrictions or limitations on work of the internal audit.
- Review with Chief Internal Auditor the internal audit budget, resource plan, activities, and organizational structure of the internal audit function;
- Compliance with the IIA's international standards for the professional practice by Internal Auditing unit
- Implementation of remedial action plan on internal audit findings by management.

Comment [M24]: Correct numbering to bbe sequential

# Chapter 3

## 9. External Audit

The AC did review the Auditor-General's proposed audit scope and approach, including coordination of audit effort with internal audit in respect of 2014/15 financial year, and On a regular basis, met separately with the Auditor-General to discuss any matters that the committee or auditors believe should be discussed privately.

**Comment [M25]:** Is this year correct.  
After and update capital "O" to small "o"

Furthermore, the AC evaluated management responses to the reports or findings of the Auditor-General on quarterly basis.

## 10. Consequence Management

The municipality is in the process of developing a consequence management framework for implementation.

## 11. Combined Assurance Framework

The AC commends management for the development of combined assurance framework.

## 12. Conclusion

The Audit Committee wishes to acknowledge the commitment from Council, management and staff of the municipality. The stability in terms of the political and administrative leadership of the municipality has contributed to these improvements report above. We would also like to thank the Executive Mayor for his support, Councillors, senior management for their efforts and internal audit for their contribution.



SAB Ngobeni (Mr)  
Chairperson of the Audit Committee  
Thembisile Hani Local Municipality  
06 August 2016

**Comment [M26]:** THE DATE  
SHOULDN'T BE 6 AUGUST BUT END OF  
AUDIT, 30 NOV



# Chapter 4

13	Organisational Rights	100%	100%	1-May-2007	100%	100%	1-May-2007
14	Performance Management and Development	100%	100%	31 January 2013	100%	100%	31 May 2013
15	Recruitment, Selection and Appointments	100%	100%	5-Aug-2011	100%	100%	October 2015
16	Remuneration Scales and Allowances	100%	100%	2-Nov-2011	100%	100%	2-Nov-2011
17	Sexual Harassment	100%	100%	5-Aug-2011	100%	100%	5-Aug-2011
18	Skills Development	100%	100%	5-Aug-2011	100%	100%	October 2015
19	Smoking	100%	100%	5-Aug-2011	100%	100%	5-Aug-2011
20	Other: Retention policy	100%	100%	31 May 2013	100%	100%	31 May 2013
21	Employee Assistance Programme policy	100%		October 2015	100%		October 2015
22	HIV/AIDS policy	100%		October 2015	100%		October 2015
23							
Use name of local policies if different from above and at any other HR policies not listed.							

Comment [NL27]: Blank spaces remove if not applicable, not in use

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of Injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average injury leave per employee Days	Total Estimated cost R'000
Required basic medical attention only	96	4	4.2%	0.04	54313.00
Temporary total disablement					
Permanent disablement					
Fatal					
Total	96	4	4.2%	0.04	54 313.00

Comment [NL28]: Same as above

# Chapter 4

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Level 0- 2	5	0%	1	4	1.25	
Level 3	48	8,3%	8	22	2.18	
Level 4	11		3	9	1.22	
Level 5	218	1,4%	12	32	6.81	
Level 6	234	2%	8	16	14.63	
Level 7	53	13%	8	17	3.11	
Level 8						
Level 9	9	33%	3	15	0.6	
Level 10	100	4%	18	80	1.25	
Level 11	93	5,4%	5	12	7.75	
Level 12	110	6,4%	11	36	3.05	
Level 13						
Level 14						
Level 15	124	12%	16	147	0.84	
Total	1005	85,5%	93	390	42.69	0

Comment [NL29]: Should not be left blank. Same as below

Comment [NL30]: Fix the borders

## COMMENT ON INJURY AND SICK LEAVE

The municipality has experience some injuries which have been dealt with in terms of applicable legislation as well as sick leave.

# Chapter 5

## 5.2 GRANTS

Grant Performance						
R						
Description	2014/2015 Actual	2015/16 Budget	Adjustments Budget	Final Adjusted Budget	2015/2016 Original Budget (%)	Variance Adjustments Budget (%)
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	247 290 000					
Equitable share	237 008 000	288 644	0	288 644	100%	0%
Municipal Systems Improvement	890 000	930	0	930	100%	0%
Department of Water Affairs	5 000 000					
Levy replacement	0					
Other transfers/grants (insert description)	4 392 000	19 717	43 000	62 717	0%	0%
<b>Provincial Government:</b>	0	0	0		0%	0%
Health subsidy	0	0	0	0	0%	0%
Housing	0	0	0	0	0%	0%
Ambulance subsidy	0	0	0	0	0%	0%
Sports and Recreation	0	0	0	0	0%	0%
Other transfers/grants (insert description)	0	0	0	0	0%	0%
<b>District Municipality:</b>	0	0	0	0	0%	0%
nNkangala District Municipality	0	0	0	0	0%	0%
	0	0	0	0	0%	0%
<b>Other grant providers:</b>	0	0	0	0	0%	0%
(insert description)	0	0	0	0	0%	0%
	0	0	0	0	0%	0%
<b>Total Operating Transfers and Grants</b>	<b>247 290 000</b>	<b>276 515 000</b>	<b>275 755 000</b>	<b>275 755 000</b>	<b>100%</b>	<b>100%</b>

Comment [NL31]: include numbers on the blank areas



# Chapter 5

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Thembeisile Hani Local Municipality's capital budget is mainly funded from the MIG and internal funds. The biggest MIG funded project was on the Luthuli water reticulation

### 5.5 CAPITAL EXPENDITURE

2015/2016	% of Expenditure Budget	Original Budget	Adjustment Budget	Audited Full Year Total
Capital Expenditure	100%	119 139 000	125 087 054	125 087 054
Operating Expenditure	98.22%	220 287 000	272 944 000	270 169 666
Total expenditure	99.30%	339 426 000	398 031 054	395 256 720

### 5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources 2014/2015 - 2015/2016						
R						
Details	2014/2015 Audited	2015/2016 Original Budget (OB)	Adjustment Budget	Actual Expenditure	Adjust- ment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
Public contributions and donations	0	0	0	0	0	0
Grants and subsidies		119 000	125 087	125 087	0%	105%
Other	0	0	0	0	0	0
Total		119 000	125 087	125 087	0%	
Percentage of finance						
External loans	0.0%	0.0%	0.0%	0.0%	0	0

Comment [NL32]: Fill in number on the space

Comment [NL33]: Align to others

## Chapter 5

Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0	0
Grants and subsidies	0.0%	100.0%	100%	100%	0	0
Other	0.0%	0	0	0	0	0

Capital expenditure						
Water and sanitation	42 847 777	109 169 275	100 320 405	64 921 289	65%	59%
Electricity	0	2 081 228.00	6 734 293	6 941 492	103 %	334%
Housing	0	0	0	0		
Roads and storm water	113 855 433	0.00	3 902 412	3 149 275	81%	-100%
Other	171 941 617	0.00	776 122	776 122	100%	-100%
<b>Total</b>	<b>328 644 827</b>	<b>111 250 503</b>	<b>111 736 232</b>	<b>75 788 178</b>	<b>68%</b>	<b>68%</b>
Percentage of expenditure						
Water and sanitation	13.0%	98%	90%	86%	58%	58%
Electricity	0.0%	2%	6%	9%	6%	6%
Housing	0.0%	0	0	0	0	0
Roads and storm water	34.6%	0	3%	4%	3%	3%
Other	52.3%	0	1%	1%	1%	1%

Comment [NL34]: Align as per others and put numbers on blank spaces

### COMMENT ON SOURCES OF FUNDING

Grant funded projects were in line with the MIG implementation plan.

# Chapter 5

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

The Municipal Grants expenditure 2015/16 service delivery backlogs are explained more on the chapter 3 under Basic service Delivery.

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Proper cash flow management is a critical element to ensure the municipality meets its obligations. A stable positive cash flow balance relative to the growth of the municipality is a good indication of the municipality financial position and health. Cash flow projections are done on a monthly basis and cash not immediately required are invested for a better return on the short term.

Thembisile Hani Local Municipality's cash flow is daily monitored by the Finance Management section. There is also monthly reporting to the Executive Mayor in the form of section 71 reports and quarterly reports to Council.

### 5.9 CASH FLOW

Description	2015/16				2015/16
	Original Budget'000	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Audited Outcome
R thousand	1	2	3	4	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Ratepayers and other	78 298	0	78 298	177 807	177 807
Government - operating	309 291	43 000	352 291	339 291	339 291
Government - capital	120 239	7 603	127 842	89 139	89 139
Interest	2 756	0	2 756	10 066	10 066
<b>Payments</b>					
Suppliers and employees	(389 945)	0	(389 945)	(521 306)	(521 306)
Finance charges			-	(396)	(396)
Transfers and Grants	( 4 300 )		-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>116 339</b>	<b>(1 100)</b>	<b>115 239</b>	<b>94 603</b>	<b>94 603</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Proceeds on disposal of PPE			-	5 239	5 239
Decrease (Increase) in non-current debtors			-		
Decrease (increase) other non-current receivables			-		-
Decrease (increase) in non-current investments			-		-

Comment [NL35]: LIVE SPACE RATHER UNDERNEATH AS THE BORDER ON LEFT IS NOT FINE

Comment [NL36]: ALIGN NUMBERS PROPERLY

Comment [NL37]: INCLUDE NOS WHERE APPLICABLE, SAME AS BELOW



# Chapter 5

## 5.10 BORROWING

### COMMENT ON BORROWING

No new or old loans were taken up in the financial year under review.

## COMPONENT D: OTHER FINANCIAL MATTERS

## 5.11 GRAP COMPLIANCE

### GRAP COMPLIANCE

The Annual Financial Statements have been prepared and presented in accordance with the standard of GRAP and the preparing and presentation of the GRAP compliant AFS is improving in each and every year.

## 5.12 SUPPLY CHAIN MANAGEMENT

The Council has developed its policy in line with the Municipal Supply Chain Management Regulations and MFMA circulars issued by National Treasury. The municipality has developed and established the supplier database. The Bid Committees were established and are fully functional, namely Bid Specification Committee, Bid Evaluation Committee; and Bid Adjudication Committee. The committees are appointed in terms of proper delegation and appointed in terms of legislations. The bid committees are functioning well.

All members of the Bid Specification, Bid Evaluation and Bid Adjudication Committees are delegated in writing by the Municipal Manager to serve on these respective committees. These delegations are accepted in writing and record thereof is available. The following persons served on the following respective committees:

#### Bid Specification committee

1. Zephania Nkosi
2. Nkuleleko Bhila
3. Pinky Sibiya

#### Bid Evaluation Committee

1. Dumisani Mahlangu
2. Katlego Mokwena
3. Lydia Sehlako
4. Aminah Aphone
5. Simpiwe Mashiane

#### Bid Adjudication

1. Bongumusa Sithole
2. Raisibe Morudu
3. Nelson Khubeka

Comment [NL38]: ALIGN AS ABOVE

# Chapter 6

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION

The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

Comment [NL39]: Remove the full stops

### COMPONENT A: AUDITOR-GENERAL OPINION 2014/2015

#### 6.1 AUDITOR GENERAL REPORTS 2014/2015

The Municipality received a Qualified Audit Opinion for the financial year 2014/2015. Terms of Section 133 of the MFMA, the municipality must develop an Audit Action Plan to ensure that the objective of a clean audit report is achieved before the Government's deadline of 2015. Considerable work has been done, and progress made, but the fact that a clean audit is still to be achieved remains a serious objective for the Thembisile Hani Local Municipality

Comment [NL40]: Wording not clear, color be similar on the document as a whole

Comment [NL41]: Separate wording

#### Basis for qualified opinion

##### Revenue

1. The municipality did not have adequate systems to ensure a properly updated valuation roll and billing system. The municipality did not always update its valuation roll with changes within its jurisdiction and its billing system with property market values. Some accounts in the general ledger could not be found in the valuation roll and some of the properties in the valuation roll were not included as rateable properties on the billing system. Property owners on the valuation roll also differed from the owners captured on the financial system of the municipality. Consequently, property rates amounting to R45 254 092 and receivables amounting to R39 444 394 disclosed in note 5 to the financial statements were understated by R44 981 594. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus.

#### Qualified opinion

2. In my opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Thembisile Hani Local Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

#### Emphasis of matters

3. I draw attention to the matters below. My opinion is not modified in respect of these matters.

#### Going concern

4. As disclosed in note 39 to the financial statements, the municipality's creditor-payment and debt-collection periods exceeded 175 days, thus making it a challenge for the municipality to honour its obligations on time. This condition

# Chapter 6

## COMPONENT B: AUDITOR-GENERAL OPINION 2015/2016

### 6.2 AUDITOR GENERAL REPORTS 2015/2016

Report of the auditor-general to the Mpumalanga Provincial Legislature and the council on the Thembisile Hani Local Municipality

#### REPORT ON THE FINANCIAL STATEMENTS

##### Introduction

1. I have audited the financial statements of the Thembisile Hani Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Comment [NL42]: 325 to 374

##### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

##### Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.



# Chapter 6

## Basis for qualified opinion

### Property, plant and equipment

6. The financial statements were materially misstated, as the municipality did not recognise some of the land it owns, contrary to GRAP 17, *Property, plant and equipment*. Furthermore, buildings was understated as a result of the incorrect calculation of depreciation. The effect on the financial statements was that land and buildings was understated by R92 823 382, the accumulated surplus was understated by R82 932 072, and depreciation was overstated by R9 891 309. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus.
7. The municipality did not have adequate systems to properly record assets and maintain accurate records to account for property, plant and equipment in accordance with GRAP 17. Infrastructure assets was overstated by R22 466 323 as a result of the incorrect calculation of depreciation as well as the opening balance. The effect on the financial statements was that infrastructure assets was overstated by R22 466 323, the accumulated surplus was overstated by R10 905 065, and depreciation was overstated R11 561 258. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus. Furthermore, I was unable to obtain sufficient appropriate audit evidence for the additions to infrastructure assets, as the municipality could not provide supporting documents in this regard.
8. Consequently, I was unable to determine whether any adjustments were necessary to infrastructure assets of R1 881 877 996 disclosed in note 3 to the financial statements.

### Commitments

9. The municipality did not have adequate systems to account for commitments in accordance with GRAP 17, *Property, plant and equipment*. Consequently, commitments of R76 620 063 disclosed in note 36 to the financial statements was understated by R41 557 110.

### Qualified opinion

10. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Thembisile Hani Local Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

### Emphasis of matters

11. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### Restatement of corresponding figures

12. As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of an error discovered during the year ended 30 June 2016 in the financial statements of the municipality at, and for the year ended, 30 June 2015.

### Going concern

13. Note 42 to the financial statements indicates that the municipality had a deficit of R34 869 693 for the year ended 30 June 2016. This condition may cast material uncertainty on the municipality's ability to operate as a going concern.

### Material losses

Comment [NL43]: Drop heading down

# Chapter 6

14. As disclosed in note 6 to the financial statements, material losses of R67 228 927 (2014-15: R58 394 773) were incurred as a result of water distribution losses, which represented 56% (2014-15: 58,4%) of the total water purchased.

## Material impairments

15. As disclosed in note 10 to the financial statements, the receivables balance was significantly impaired. The impairment of consumer debtors amounted to R563 681 917 (2014-15: R400 047 767), which represented 97,30% (2014-15: 89%) of the total consumer debtors. The contribution to the provision for debt impairment was R163 634 152 (2014-15: R72 272 311).

## Additional matter

16. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## Unaudited disclosure notes

17. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

## Report on other legal and regulatory requirements

18. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, compliance with legislation and internal control. I performed tests to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

**Comment [NL44]:** Uniformity as above on the heading "Report on the financial statements"

## Predetermined objectives

19. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June 2016:

- Development priority 1: basic service delivery and infrastructure development on pages ... to ...

**Comment [NL45]:** 130 to 157

20. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priorities. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information.

21. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

22. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following development priority:

- Basic service delivery and infrastructure development

## Additional matters

23. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected development priority, I draw attention to the following matters:



# Chapter 6

## Achievement of planned targets

24. Refer to the annual performance report on pages ... to ... for information on the achievement of the planned targets for the year.

Comment [NL46]: 130 to 157

## Adjustment of material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information for basic service delivery and infrastructure. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

## Compliance with legislation

26. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

## Annual financial statements

27. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records provided, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

## Procurement and contract management

28. Goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of supply chain management (SCM) regulation 17(a) and (c).
29. Goods and services with a transaction value above R200 000 were procured without inviting competitive bids, contrary to SCM regulation 19(a).

## Asset management

30. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

## Expenditure management

31. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA.
32. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.
33. Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

## Human resources

34. A senior manager directly accountable to the municipal manager did not sign a performance agreement in time, contrary to section 57(2)(a) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000).

## Internal control

Comment [NL47]: Drop the heading to the next page



APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
NOTE: R' 000 ON TOTAL REVENUE						
Vote Description	2014/2015	2015/2016		Actual	2015/2016	
	Actual	Original Budget	Adjusted Budget		Original Budget	Adjustments Budget
Vote 104	395 861	381 745	373 307	364 962	95.61%	97.77%
Vote 105	79 518	119 297	89 509	125 424	105.14%	140.13%
Vote 107	1 648	21 215	20 536	1 521	7.17%	7.41%
Vote 108	16 466	7 636	6 702	7 878	103.17%	117.55%
Vote 300	172	107	187	164	153.28%	87.70%
Vote 500	0	0		0		
Vote 520	17 622	18 842	18 247	26 972	143.15%	147.82%
Vote 530		1 100	0	38 703	0	0
Vote 540	57 621	57 089	93 265	135 059	236.58%	144.82%
Vote 560	0	2 044	496	1 877	91.83%	378.43%
Total Revenue by Vote		609 076	602 249	702 560	115.35%	116.66%

Comment [NL48]: Alignment to agree to 302 and border on the Total line

# APPENDIX M: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
R '000							
Description	2012/2013	2014/2015		Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget		FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	–	111 2501	111 736	75 788	–	–	–
<b>Infrastructure: Road transport - Total</b>	–	0	3 902	3 149	–	–	–
Roads, Pavements & Bridges		0	3 902	3 149			
Storm water							
<b>Infrastructure: Electricity - Total</b>	–	2 081	6 738	6 941	–	–	–
Transmission & Retiulation							
Street Lighting		2 081	6 738	6 941			
<b>Infrastructure: Water - Total</b>	–	99 169	94 320	59 614	–	–	–
Dams & Reservoirs							
Water purification		99 169					
Retiulation			94 320	59 614			
<b>Infrastructure: Sanitation - Total</b>	–	10 000	6 000	5 308	–	–	–
Retiulation							
Sewerage purification		10 000	6 000	5 308			
<b>Infrastructure: Other - Total</b>	–	0	776	776	–	–	–
Waste Management							
Transportation							
Gas							

Comment [NL49]: Correct lines above.  
Align amounts above