

Annexure E

The S79 Municipal Public accounts Committee meeting minutes on the Oversight of the 2020/2021 Annual Report of the City of Johannesburg

Annexure E. 1

1st Ordinary Meeting held on 2 March 2022

MINUTES OF THE 1ST EXTRA-ORDINARY MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE HELD AT THE CONSTANCE CONNIE BAPELA COUNCIL CHAMBER, ON FRIDAY, 4 MARCH 2022, AT 10:00.

PRESENT

COUNCILLORS

Nontenja, C T (UDM) (Chairperson)
Mchunu, A (ActionSA)
Davids-Green, LA (ActionSA)
Modukanene, L C (ActionSA)
Reinten, I M (DA)
Chabalala, M D (DA)
Brand, D G (DA)
Shackleford, L M (DA)
Buthelezi, T C (ANC)
Nzimande, C (ANC)
Mmbengwa, M N (ANC)
Dlanjwa, M (EFF)
Nethamba, R (EFF)

ALTERNATES

Gantsho, I (ActionSA)
Sekwaila, B J (ANC)

OFFICIALS

Mavundla (AGSA)
T Samuel, Acting Coordinator : Office of the Speaker
L Naick, Acting Deputy Director : Office of the Speaker
T Tseki, Legal Advisor : Office of the Speaker
T Mabogo, Researcher : Office of the Speaker
H Mavuso,
J Venter,
T Mbara, GSPCR
R Rambau,
Z Ebrahim, Acting Group Head : GSPCR
R Mutleiwe, GRAS
T Mmbara, Director : M & E
N Nxosana, Director : Financial Reporting
K Semanya, Acting Executive Head : OCM
M Mlandu, Acting City Manager
N Mahanjaa, Unit Head : Compliance
S Nxumalo, HOD : GRAS

1 WELCOME

The Chairperson welcomed all present in the hybrid meeting, including representatives from AGSA's Office.

The Legal Advisor indicated that the Committee does form a quorum.

The Legal Advisor proceeded to declare the Chamber and other buildings used to connect to the meeting as precincts of Council..

2 LEAVE OF ABSENCE

Applications for leave of absence was received from:

<i>Councillors Moerane</i>	-	<i>Out of Town</i>
<i>Councillor Reddy</i>	-	<i>Out of Town</i>
<i>Councillor Maila</i>	-	<i>Council Business</i>
<i>Councillor Brand</i>	-	<i>Other Business</i>
<i>Councillor Nethamba</i>	-	<i>Will be joining late</i>

RESOLVED

- 1 That leave of absence be granted to Councillors Moerane, Reddy, Maila and Brand.
- 2 That the request to joint the meeting late by Councillor Nethamba be noted.

3 PRESENTATIONS

- 3.1 The Legal Advisor for the Committee (MPAC), presented the committee's Terms of Reference (ToRs).

The ToRs were distributed physically as well for further scrutiny and consideration by old and new MPAC members.

- 3.2 Auditor General South Africa made a presentation on the CoJ 2020/21 Audit Outcomes.

The presentation was done for the Committee and the Committee noted the following important points:

1. *The Analysis of the oversight was given.*
2. *Strides by CoJ in establishing the Disciplinary Board were acknowledged.*
3. *Emphasis on matters, especially material impairments, were echoed.*
4. *Concerns were raised by the Committee on 'stagnation' and the lack of consequence management.*

5. *Moody's Investment Downgrade of the City was mentioned in the AGSA's presentation.*
6. *High non-compliance levels from the MoEs was raised by the Committee.*

3.3 GSPCR's report on the 2020/21 Annual Intergrated Report.

The presentation was done for the Committee and the Committee noted the following important points:

1. *Highlights and challenges faced in the financial year were stated.*
2. *Interventions made were presented to the Committee.*
3. *Included in the report was the analysis from the AGSA of the 2020/21 FY.*
4. *The committee commented on the recycling activities around the City not being regulated.*
5. *The committee commented on water being provided to informal settlements not being metered.*
6. *The committee commented on sustainable development policies and plans not being included in the report.*
7. *The committee commented on the action plan not having time-frames. Leaving it open ended is a risk. To which the Executive responded that 'auditing' is an on going process that continues to test the effectiveness of existing controls.*
8. *Distribution of the Management Letter was discussed.*
9. *The committee requested an update on the progress made by the disciplinary board. The City Manager's Office responded and provided the information.*

4 ANNOUNCEMENTS

None.

5 REPORTS

There were no reports before the Committee.

6 CLOSURE

The Chairperson thanked members for their attendance. Lunch was to be served.

THE MEETING TERMINATED AT 12:30.

.....
CHAIRPERSON

.....
DATE

Annexure E.2

1st Extra-Ordinary Meeting held on 4 March 2022

MINUTES OF THE 1ST ORDINARY MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE HELD ON MICROSOFT TEAMS, ON WEDNESDAY, 2 MARCH 2022, AT 10:00.

PRESENT

COUNCILLORS

Nontenja, C T (UDM) (Chairperson)
Mchunu, A (ActionSA)
Davids-Green, LA (ActionSA)
Modukanene, L C (ActionSA)
Reinten, I M (DA)
Chabalala, M D (DA)
Shackleford, L M (DA)
Moerane, M (ANC)
Buthelezi, T C (ANC)
Ramafikeng, D J (ANC)
Mmbengwa, M N (ANC)
Dlanjwa, M (EFF)
Nethamba, R (EFF)

ALTERNATES

Gantsho, I (ActionSA)
Maila, S M (DA)
Mosehla, K J (EFF)

OFFICIALS

T Tseki, Legal Advisor
T Mabogo, Committee Researcher
T Samuel, Acting Committee Coordinator
J Mbedzi, Acting Assistant Director
K Semanya, Unit Head : OCM

1 WELCOME

The Chairperson welcomed all present at the first meeting of the Municipal Public Accounts Committee (MPAC). She indicated, in agreement with the Committee, that the meetings would be held physically (in-person) as some Councillors were struggling to connect virtually into the Committee meeting.

The Legal Advisor in terms of Rule 7 (1) of the Standing Rules and Orders of Council of 2016 indicated that the precincts of Council is the area of land and every building or part of a building under the Legislature's control. She indicated that in a case where Council or Committees convene beyond the precincts of Council, these Rules shall apply as if the premises where Council or Committees are meeting were within the precincts of Council in terms of Rule 7 (2) of the Standing Rules and Orders of Council, 2016.

She thereafter declared all various venues where members were connected as the formal venue of the meeting.

2 LEAVE OF ABSENCE

1 *Application for leave of absence was received from the following Councillor:*

Councillor T Buthelezi - Arriving late due to Council Business

2 *The following Councillors requested to leave the meeting early:*

<i>Councillor M Moerane</i>	<i>at 13:00</i>	<i>Urgent Private Business</i>
<i>Councillor S Maila</i>	<i>at 12:00</i>	<i>Urgent Private Business</i>
<i>Councillor K Mosehla</i>	<i>at 12:00</i>	<i>Urgent Private Business</i>

RESOLVED

- 1 That the request to arrive late at the meeting be granted to Councillor T Buthelezi
- 2 That the request to leave the meeting early be granted to Councillors M Moerane, S Maila and K Mosehla.

3 PRESENTATION

INDUCTION PRESENTATION FOR THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) by Thinga Mabogo

The Committee Researcher, Mr T Mabogo presented an overview on:

- *Why Public Accounts Committees (PACs) exist, and*
- *How do PACs do oversight and the roles and responsibilities of the Municipal Public Accounts Committee (MPAC).*

The presentation also outlined the annual report process as stipulated in Chapter 12 of the Municipal Finance Management Act (MFMA), legislative requirements, accountability cycle and the kinds of audit opinions. The presentation lastly highlighted sample questions that the Committee members can ask the City Manager as stipulated in the MFMA Circular 92.

Committee members were given an opportunity to comment and pose clarity seeking questions. The Committee commended the researcher for the induction presentation that he presented.

The Committee Chairperson requested the Researcher to distribute the presentation and the relevant circulars with the rest of the Committee members.

I N D E X

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COJ LEGISLATUREGUIDELINES FOR THE CONSIDERATION
OF THE 2020/21 ANNUAL REPORT OF
THE CITY

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DRAFT PROCESS PLAN FOR THE
DEVELOPMENT OF THE 2020/21
OVERSIGHT REPORT OF THE CITY OF
JOHANNESBURG : LEGISLATURE

2

5

END OF POLITICAL TERM REPORT FOR
THE SECTION 79 MUNICIPAL PUBLIC
ACCOUNTS COMMITTEE FOR THE PERIOD
AUGUST 2016 TO SEPTEMBER 2021

3

6

4 REPORTS

Item 1 GUIDELINES FOR THE CONSIDERATION
OF THE 2020/21 ANNUAL REPORT OF
THE CITY

The objective of the report was to table the guidelines for the considerations of the 2020/21 annual report of the City of Johannesburg. The 2020/21 Annual Report contained:

- (1) Consolidated Group Annual Performance Report for the Year
- (2) Consolidated Group Annual Financial Statements
- (3) Final Audit Report from the Auditor General
- (4) Recommendations of the Audit Committee; and
- (5) Plan of Action for Departments and MEs

The Committee raised the following comments, concerns and questions:

- *The Committee stated that according to the Municipal Finance Management Act (MFMA), the Executive Mayor is required to submit the annual report within seven months after the end of the financial year. It raised a concern that the 2020/21 annual report should have been tabled in January 2022 and enquired why there was a delay in tabling the annual report of the City of Johannesburg.*

The Chairperson indicated that the concern should have been raised in the Council meeting when the annual report was tabled, however further commented that the concern would be included in the Municipal Public Accounts Committee's (MPAC) final report that would be sent to Council as the matter should be addressed in the Council meeting. The Chairperson indicated that the Committee would have an opportunity on Friday (4 March 2022) to ask the question regarding the delay of tabling the annual report as officials and the Auditor General (AG) would be present at the meeting.

RESOLVED

That the Committee considers the relevant sections of the 2020/21 Annual Report contained in the agenda that has been distributed to all Councillors for the Council meeting of Thursday, 24 February 2022.

(COJ LEGISLATURE)
(Tieniel A Samuel)
(Tel. (011) 407-6897)

Item 2 DRAFT PROCESS PLAN FOR THE DEVELOPMENT
 OF THE 2020/21 OVERSIGHT REPORT OF THE
 CITY OF JOHANNESBURG : LEGISLATURE

The objective of the report was to table the draft process plan for the development of the 2020/21 oversight report of the City of Johannesburg: Legislature.

Comments:

The Chairperson stated that the Committee would be working on a very tight schedule or process plan due to the delay in tabling the 2020/21 annual report. She indicated that the process plan usually commences at the beginning of February and further indicated that the Committee's oversight report should be tabled in the Council meeting scheduled for 26 April 2022.

The Committee suggested that an extra column indicating whether the meeting would be held virtually and or in-person should be added in the process plan, next to the dates of the Committee meetings for Committee members to plan accordingly. It further requested that documents should be provided on time for Committee members to have ample time to peruse the documents.

The Committee indicated that the delay in tabling the annual report should also be noted in the process plan and agreed that going forward, the Committee meetings would be held physically (in-person) as some Councillors were struggling to connect virtually into the Committee meeting.

RESOLVED

- 1 That the CoJ Legislature Process Plan for the 2020/21 Annual Report of the City of Johannesburg as set out in this report be adopted by the Municipal Public Accounts Committee to guide the oversight activities on the 2020/21 Annual Report.
- 2 That the approved CoJ Legislature Process Plan for the 2020/21 Annual Report be forwarded to the City Manager to be circulated to all heads of departments and heads of Municipal Owned Entities to enable them to attend and provide clarity as well as written responses to written questions by the Municipal Public Accounts Committee.

(COJ LEGISLATURE)

Item 3 END OF POLITICAL TERM REPORT FOR THE S79
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE FOR
THE PERIOD AUGUST 2016 TO SEPTEMBER 2021

The objective of the report was to table the End of Political Term report for the Section 79 Municipal Public Accounts Committee (MPAC) for the period August 2016 to September 2021.

Comments:

The Chairperson indicated that the Committee's end of term oversight report is a key oversight tool which highlights the achievements and challenges realised by the previous Committee and indicates whether the primary aim of the 2016 to 2021 political term of capacitating the administrative role of Council Legislature was achieved.

The Chairperson stated that the report further contained recommendations from the previous political term, which the current MPAC Committee would have to track those Council resolutions and ensure that they are implemented.

The Committee requested to be provided with the Terms of Reference of the Municipal Public Accounts Committee (MPAC).

The Legal Advisor of the Committee indicated that the Committee's Terms of Reference would be presented at the next Committee meeting to be held on Friday, 4 March 2022.

NOTED

(COJ LEGISLATURE)
(Thinga Mabogo)
(Tel. 083 702 8292)

5 ANNOUNCEMENTS

The Chairperson announced that the Committee would have an Extra-Ordinary meeting on Friday, 4 March 2022 and requested the Committee members to diarise the process plan. She announced that the Committee would have a proper induction session for MPAC members where the National Treasury and Auditor-General of South Africa (AGSA) would also be present.

6 CLOSURE

The Chairperson thanked members and officials for their attendance.

THE MEETING ADJOURNED AT 12:00.

.....
CHAIRPERSON

.....
DATE

Annexure E. 3

2nd Extra-Ordinary Meeting held on 9 March 2022

MINUTES OF THE 2ND EXTRA-ORDINARY MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE WILL BE HELD AT THE CONSTANCE CONNIE BAPELA COUNCIL CHAMBER, ON WEDNESDAY, 9 MARCH 2022, AT 10:00.

PRESENT

COUNCILLORS

Nontenja, C T (UDM) (Chairperson)
Reinten, I M (DA)
Chabalala, M D (DA)
Shackleford, L M (DA)
Moerane, M (ANC)
Mmbengwa, M N (ANC)
Dlanjwa, M (EFF)
Nethamba, R (EFF)

ALTERNATES

Gantsho, I (ActionSA)
Maila, S M (DA)
Mosehla, K J (EFF)
Reddy, K (UIM)

BY INVITATION

Molomo J: Chairperson of Group Risk and Governance Committee
Zabala G: Chairperson of Group Performance Audit Committee

OFFICIALS

T Tseki, Legal Advisor
L Naick, Acting Deputy Director : Committees
T Mabogo, Committee Researcher
T Samuel, Acting Committee Coordinator
L Mbedzi, Committee Coordinator
S Dlamini, Legal Advisor

1 WELCOME

The Chairperson welcomed all present to the meeting.

The Legal Advisor declared the virtual space a precinct of Council. Every other building or part of a building provided or used in connection with the proceedings of Council, while so used; and every part of the buildings in which the chambers are situated, and every forecourt, yard, garden, enclosure or open space appurtenant thereto. Insofar as it may be necessary, in a case where Council or Committees convene beyond the precincts of Council, these rules apply as if the premises where Council or Committees are meeting were within the precincts of Council.

The Legal Advisor also indicated that the 'Management Letter' will be tabled and she stated the applicable the Council Rules which relates.

2 LEAVE OF ABSENCE

Applications for leave of absence was received from

*Councillors Brand
Councillor Mosehla
Councillor Mchunu
Councillor Dlanjwa - To leave early*

RESOLVED

- 1 That leave of absence be granted to Councillors Brand, Mosehla and Mchunu.
- 2 That early leave of absence be granted to Councillor Dlanjwa.

3 PRESENTATIONS

3.1 GPAC Chairpersons presentation to MPAC

The presentation was made virtually.

The Committee resolved:

That the presentation from GPAC should be deferred to the Committee meeting of 11 March 2022 and a GPAC delegated representative should be in attendance to present physically.

DEFERRED (due to technical difficulties)

3.2 GRGC Chairpersons presentation to MPAC

The presentation was presented by the Chairperson of GRGC:

The Committee commented and raised the following comments, concerns and questions:

- *A concern was raised regarding the unqualified audits received in the City and the decreasing number of Entities with clean audits.*
- *A concern was raised regarding the increase in UIFW expenditures.*
- *The committee noted the report and commented on the increased UIFWE incurred in the City, and the lack of consequence management.*

I N D E X

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JOHANNESBURG CITY PARKS AND ZOO		
GROUP RISK AND GOVERNANCE COMMITTEE PRESENTATION	1	
GROUP PERFORMANCE AUDIT COMMITTEE PRESENTATION	2	
GROUP AUDIT COMMITTEE PRESENTATION	3	

4 REPORTS

Item 1 GROUP RISK AND GOVERNANCE COMMITTEE CHAIRMAN'S PRESENTATION

The Committee raised the following concerns, comments and questions:

- *A request was made that the UIFWE reported should be broken down, per Entity and Department.*
- *The City has established a Disciplinary Board and the Risk Committee should find a way to contact them and create a working relationship.*
- *The responses should include the relationship between Performance Contracts of Section 56 Managers and their duties in responding to the Auditor General's findings?*
- *A follow-up was made to emphasize the importance of the City Manager attending the committee's meetings.*

The GRGC Chairperson advised that:

- *Information on the insurability of the City should be referred to the Top Management of the City.*
- *A large contributor to the incurred UIFW as per the annual report was in relation to 'previous contracts'.*
- *The 'new contracts' were compliant and should not incur UIFW.*
- *The GRGC can make presentations to the Committee on a quarterly basis.*

Item 2 GROUP PERFORMANCE AUDIT COMMITTEE CHAIRMAN'S PRESENTATION

The Committee raised the following concerns, comments and questions:

- *There were sound and connectivity issues. The Committee deferred the Item.*

DEFFERED

Item 3 GROUP AUDIT COMMITTEE CHAIRMAN'S PRESENTATION

The Committee raised the following concerns, comments and questions:

- *There was no one from GAC to present or take the committee's questions. The item was deferred.*

RESOLVED TO RECOMMEND

The Committee resolved to make a recommendation to council to address the non attendance of the GAC chairperson and the non responsiveness to invitations by MPAC

DEFFERED

6 CLOSURE

The Chairperson thanked members for their attendance.

THE MEETING TERMINATED AT 12:30.

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CHAIRPERSON

.....
DATE

Annexure E. 4

2nd Ordinary Meeting held on 11 March 2022

MINUTES OF THE 2ND ORDINARY MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE HELD AT THE CONSTANCE CONNIE BAPELA COUNCIL CHAMBER, ON WEDNESDAY, 11 MARCH 2022, AT 10:00.

PRESENT

COUNCILLORS

Nontenja, C T (UDM) (Chairperson)
Mchunu, A (ActionSA)
Davids-Green, LA (ActionSA)
Modukanene, L C (ActionSA)
Reinten, I M (DA)
Brand, D G (DA)
Shackleford, L M (DA)
Moerane, M (ANC)
Mmbengwa, M N (ANC)
Dlanjwa, M (EFF)
Nethamba, R (EFF)

ALTERNATES

Maila, S M (DA)
Sekwaila, B J (ANC)
Mosehla, K J (EFF)
Reddy, K (UIM)

OFFICIALS

T Tseki, Legal Advisor
T Mabogo, Committee Researcher
T Samuel, Acting Committee Coordinator
J Mbedzi, Acting Assistant Director
K Semanya, Unit Head : OCM
M Mlandu, Acting City manager

1 WELCOME

The Chairperson welcomed all present to the meeting.

2 LEAVE OF ABSENCE

Applications for leave of absence was received from Councillor D Chabalala.

RESOLVED

That leave of absence be granted to Councillor D Chabalala.

3 PRESENTATIONS

- 1 GROUP PERFORMANCE AUDIT COMMITTEE (GPAC) CHAIRMAN'S REPORT TO THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) by Mr Edmund Wills

Mr E Wills, member of the Group Performance Audit Committee presented the GPAC Chairman's report to the Municipal Public Accounts Committee. The presentation highlighted the GPAC activities and the matters submitted and considered by GPAC for the year ending 30 June 2021. The presentation further outlined the GPAC observation for the 2021 financial year and GPAC recommendations to the Municipal Public Accounts Committee.

Committee members were given an opportunity to comment and pose clarity seeking questions.

- 2 RESPONSES TO CONCERNS AND CLARITY SEEKING QUESTIONS RAISED BY THE MPAC COMMITTEE by Mr Griffith Zabala

Mr G Zabala, Chairman of the Group Performance Audit Committee (GPAC) responded to concerns and clarity seeking questions that were raised by the Municipal Public Accounts Committee (MPAC) in the previous extra-ordinary Committee meeting held on Wednesday, 9 March 2022. The responses were as follows:

- (a) UIFWE

Mr Zabala indicated that management had submitted to GPAC a breakdown of the UIFWE. He stated that bulk of UIFWE approximately 96% was Unauthorised and Irregular expenditure and Fruitless and Wasteful expenditure constituted approximately 4%. He further indicated that bulk of the UIFWE was with MOE's and management can provide actual figures in this regard. Mr Zabala highlighted that due to the historic nature of this incurrence, GPAC had requested management to submit a revised action plan to dovetail with the national treasury directive, a three-year strategy of articulating the percentage reduction year after year of the UIFWE. He further highlighted that GPAC would be monitoring this item.

- (b) OPCA

Mr Zabala stated that it was clear from IA reports and from the AG that there are several serious internal controls that require attention. He indicated that GPAC in consultation with the other Chairs of GAC and GRGC have requested management to prepare an implementation plan with a clear problem statement and action items with clear deliverables that will lead to the City of Johannesburg receiving a clean audit. He further highlighted that where the City had certain MOEs such as the JCT, JOSHCO and the Joburg Market achieving Clean Audits in previous years, the situation has reversed to not having clean audits from all City entities, and GPAC has recommended that Management consider implementing a robust upskilling program and consequence management where necessary.

(c) IA and AG Audit findings

Mr Zabala highlighted that given the reports submitted to GPAC, IA and AG, the resolution of audit findings improved slightly from approximately 47% in the previous year to 56% in the FY 2021. Hence, GPAC reported that there was a slight improvement, however there were still concerns in this regard. He further indicated that it was in this context that GAPC had recommended that management submit a clear implementation plan with clear milestones and deliverables in this regard.

(d) Disciplinary Board

Mr Zabala highlighted that management had reported that the previous Council had appointed a Disciplinary Board. However, the Board was not yet operational and it would be incumbent upon the new Council to finalise the operations of the Board going forward.

(e) MPAC quarterly reports

Mr Zabala highlighted that GPAC does and had prepared written quarterly reports that are submitted to MAYCOM and MPAC by Group Governance. He further indicated that GPAC relies on Group Governance (GG) to coordinate meetings with MPAC.

(f) Relationship of Section 57 Employees

Mr Zabala indicated that GPAC is responsible for receiving and reviewing section 57 employee score cards. He stated that the score cards are evaluated to determine whether they express the intention of the SBDIP and the IDP and are in line with the dictates of Treasury Circular 88. He further indicated that GPAC also reviews annually the performance of these employees and make recommendations to the Mayoral Committee and Council on the bonus levels that can be awarded to these employees.

(g) Consequence Management

Mr Zabala indicated that GAPC has continuously urged management to act in this regard and part of the difficulty in this regard relates to the delays experienced in the investigations of misdemeanours. He stated that there are cases of people who have been under suspension for more than two years without the matters being resolved, and that there is a need to determine the value add of the newly established Disciplinary Board in this regard when it becomes operational.

The Committee commended the Chairman of GPAC, Mr Griffith Zabala for the feedback on the concerns that were raised by the Committee. However, the Committee continued to raise a concern with the high vacancy rate in strategic positions and the Unauthorised and Irregular expenditure, and Fruitless and Wasteful expenditure (UIFWE).

The Committee noted the response from Mr Zabala indicating that there are several serious internal controls that require attention as all City entities did not receive clean audits. It enquired about consequence management and asked how the Section 57 managers received bonuses if there was a decline in performance. It further indicated that performance agreements of the Accounting Officer and those directly reporting to the Accounting Officer should be linked to the unfavourable audit outcomes or opinions of the Auditor General (AG).

In response to irregular expenditure and wasteful expenditure, Mr Zabala highlighted that irregular expenditure and wasteful expenditure was caused by the misalignment of budgets and employees operating outside their mandate. The Acting City Manager, Mr Mlandu concurred with the Chairman of GPAC and stated that there are several factors that contribute to the rise of irregular expenditure and sometimes it was based on compliance issues which had implications on governance and service delivery. He further indicated that investigation reports of irregular and wasteful expenditure would be provided to the Committee.

In response to the bonuses, Mr Zabala indicated to the Committee that GPAC was only assessing the performance of CEO's and MOEs with management that is in line with Section 57 reports. In response to consequence management, Mr Zabala stated that GPAC only plays an advisory role and cannot be involved in disciplining employees as that is the function and the responsibility of management, Mayoral Committee and Council. He further indicated that GPAC can only provide advice about the implementation of consequence management.

The Chairperson stated that the Municipal Public Accounts Committee (MPAC) had not received any quarterly reports for more than a year from GPAC, which resulted to the Committee being left behind and only relying on the comments and opinions of the Auditor General. The Committee further sought clarity on the Disciplinary board and enquired if it was operational and effective.

In response to the quarterly reports, Mr Zabala indicated to the Committee that GPAC do prepare quarterly reports and Group Governance was responsible for circulating the report. He further indicated that he would enquire why Group Governance does not process the reports to MPAC because all the GPAC reports and recommendations are directed to the Mayoral Committee and the Municipal Public Accounts Committee. In addition, the Acting City Manager, Mr Mesuli Mlandu committed that GPAC reports would be provided to MPAC on quarterly basis.

In response to the issue of the disciplinary board, Mr Zabala stated that management reported to GPAC in the last meeting indicating that the disciplinary board had been appointed, however not yet functional. He further indicated that Council would have to ensure that the board is operational. In addition, the Acting City Manager, Mr Mlandu stated that the board was approved in Council last year (2021), however the board could not immediately be operational because there was no budget allocated for it. He further highlighted that the challenge of the budget was now being addressed to deal with the operations of the board.

The Committee sought clarity on the internal controls of the city and raised a concern with the shortage of staff members in the internal audit unit. It further raised a concern with the regression on internal outcomes on predetermined objectives and stated that the challenges have been communicated with the Accounting Officer.

In response to internal controls, Mr Zabala stated that GPAC indicated that this was an ongoing challenge, hence GPAC had requested management to provide a clear implementation plan on how this challenge was going to be mitigated. Regarding the internal audit capacity, Mr Zabala stated that GPAC was informed that there were vacancies that were not filled for quite some time at the deputy director and director levels at the internal audit, which limited the internal audit from completing its tasks or internal audit year plan. He further indicated that in the past three quarterly meetings, internal audit was not able to furnish the Committee with the verification reports as they do not have the capacity to do that. Mr Zabala highlighted that GPAC had raised this challenge with management on several occasions and in the last GPAC meeting, it was informed that processes were underway to deal with this challenge.

In addition, the Acting City Manager, Mr Mlandu stated that there was a report that was going to be tabled in the Mayoral Committee on capacitating the internal audit. He further highlighted that the reason why the report was going to be tabled in the Mayoral Committee was that there should be a split in the Group Risk and Assurance Services (GRAS) Department for the Internal Audit to become a standalone Department.

The Committee requested GPAC to elaborate on the leadership challenges at the Johannesburg Property Company (JPC) that resulted in poor performance, especially in repairs and maintenance. It raised a concern with how the Covid-19 procurements were conducted at the Company and stated that the officials should be held accountable.

In response to the leadership challenges at the Johannesburg Property Company, Mr Zabala indicated to the Committee that the Chief Executive Officer, Chief Financial Officer and some employees in the Supply Chain Management (SCM) were suspended, and also there were some difficulties in JPC achieving its objectives such as changes in management which hampered its overall performance.

The Acting City Manager, Mr Mlandu stated that the role of the boards needed to be clarified as the Chairpersons of the Boards should also appear before the Municipal Public Accounts Committee to account. He further stated that the Chief Executive Officers (CEOs) account to the boards more than they account to the City.

4 IN-COMMITTEE MEETING

The Committee Researcher, Mr Thinga Mabogo presented the draft questions of the annual report. The Committee members were given an opportunity to make inputs on the draft questions and the amendments were noted. The Committee requested to be provided with a copy of the draft questions for them to make further inputs.

The Chairperson commended the Committee members for their patience, contribution and hard work in providing the much-needed inputs for the questions. The Chairperson further indicated that the questions needed to be finalised by 18 March 2022 for them to be sent to Executive before recess.

5 ANNOUNCEMENTS

The Chairperson announced that the Committee will have a meeting on Monday, 14 March 2022 to continue with the questions that would be sent to the Executive.

6 CLOSURE

The Chairperson thanked members for their attendance.

THE MEETING ADJOURNED AT 15:30.

.....
CHAIRPERSON

.....
DATE

Annexure E. 5

3rd Extra-Ordinary Meeting held on 14 March 2022

MINUTES OF THE 3RD EXTRA-ORDINARY MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON MICROSOFT TEAMS, ON MONDAY, 14 MARCH 2022, AT 09:00.

PRESENT

COUNCILLORS

Nontenja, C T (UDM) (Chairperson)
Mchunu, A (ActionSA)
Davids-Green, LA (ActionSA)
Modukanene, L C (ActionSA)
Reinten, I M (DA)
Chabalala, M D (DA)
Shackleford, L M (DA)
Buthelezi, T C (ANC)
Mmbengwa, M N (ANC)
Dlanjwa, M (EFF)
Nethamba, R (EFF)

ALTERNATES

Gantsho, I (ActionSA)
Maila, S M (DA)
Mnyameni, M (ANC)
Reddy, K (UIM)

OFFICIALS

T Tseki, Legal Advisor
L Naick, Acting Deputy Director : Committees
T Mabogo, Committee Researcher
T Samuel, Acting Committee Coordinator
L Mbuli, Researcher Assistant

1 WELCOME

The Chairperson welcomed all present to the meeting.

The Legal Advisor declared the virtual space a precinct of Council by quoting Rule 7 of the Standing Rules of Council.

Insofar as it may be necessary, in a case where Council or Committees convene beyond the precincts of Council, these rules apply as if the premises where Council or Committees are meeting were within the precincts of Council.

2 LEAVE OF ABSENCE

Applications for leave of absence were received from:

Councillor Brand tendered an apology and requested to join the meeting later due to an appointment made previously.

Councillor Nethamba and Councillor Mosehla tendered an apology of non-attendance.

RESOLVED

- 1 That the request to join the meeting late by Councillor Brand be granted.
- 2 That leave of absence be granted Councillor Nethamba and Councillor Mosehla.

3 PRESENTATIONS

The draft questions were presented by the Researcher:

The Committee made the following amendments:

- Grammatical amendments were made to Questions 43, 61, 67, 71 and 74.

The Committee made the following additions:

- An addition was made to Question 43 "b) What do you attribute the regression to?"
- An addition was made to Question 52 "b) the entity submits a list of investigation that have been ongoing for more than three months, and the reason for delays in finalizing the investigations. (The response must state if the officials are suspended with or without pay)"
- An addition was made to Question 59 "c) Have any steps ensuring consequence management been taken?"
- An addition was made to Question 60 "c) Can the Entity submit a plan that will ensure compliance with the areas of concern raised?"
- Additions were made to all question relating to the boards of entities –
 - (a) Why did the entity hold more than four meetings as required by the Companies Act?
 - (b) What is the criteria used to appoint board chairpersons and members?
 - (c) Can the entity furnish the committee with the cost per meeting paid to each non-executive director in the 2020 and 2021 Financial year?"
- An addition was made to all questions relating to the Accounting officers of Entities "Why is the City not complying with circular 88 requirements?"
- An addition was made to Question 64 "c) Does the Entity have a plan to recover the R1 billion?
- An addition was made to Question 67 "c) How is the Entity reconciling lost meters vs the number of households in the City? As per AGSA comments."

- An addition was made to Question 71 “b) Why is there no compliance with the MFMA? (Cross-cutting) ”
- Additions were made to all questions relating to Regulation 36 -
 - “(a) Provide the list of contracts awarded using Regulation 36 during 2020/21 F/Y, the completed regulation 36 checklist, the reason for the deviation.
 - (b) Please state the reasons used by the accounting officer to accept and approve each contract. Please provide the written approval provided by the accounting officer.
 - (c) Does the department have a contract performance monitoring tool such as a contract register?”
- An addition was made to Question 74 “a) MD of Johannesburg Water, why should the committee not conclude that the accounting officer failed to exercise their fiduciary duties?”
- Additions were made to Question 76 –
 - “(a) Has the MD of Joburg water complied with this legislation?
 - (b) If not, what plans does the MD have in place to ensure compliance with Section 95?”

The Committee commented and raised the following concerns:

In view of the repeat findings found by the Auditor-General of South Africa (AGSA), the Committee agreed to consider recommending to Council a review of the entities executive’s KPI’s, upon the resolution of Council the committee will track the council resolution and perform oversight over the said KPI’s.

4 ANNOUNCEMENTS

The Chairperson announced that the updated questions to the executive will be sent to Councillors for their perusal and an extra-ordinary meeting will be convened to conclude Questions 81 to 110 on 18 March 2022 at 10:00.

5 CLOSURE

The Chairperson thanked members for their attendance.

THE MEETING TERMINATED AT 10:50.

.....
CHAIRPERSON

.....
DATE

Annexure E. 6

4th Extra-Ordinary Meeting held on 18 March 2022

MINUTES OF THE 3RD ORDINARY MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE HELD AT THE CONSTANCE CONNIE BAPELA COUNCIL CHAMBER, ON TUESDAY, 5 APRIL 2022, AT 10:00.

PRESENT

COUNCILLORS

Nontenja, C T (UDM) (Chairperson)
Brand, D G (DA)
Buthelezi, T C (ANC)
Davids-Green, LA (ActionSA)
Dlanjwa, M (EFF)
Mchunu, A (ActionSA)
Mmbengwa, M N (ANC)
Modukanene, L C (ActionSA)
Phakathi, S (IFP)
Reinten, I M (DA)
Shackleford, L M (DA)

ALTERNATES

Gantsho, I (ActionSA)
Maila, S M (DA)
Mosehla, K J (EFF)
Reddy, K (UIM)
Sekwaila, B J (ANC)

BY INVITATION : SEC 79 COMMITTEE CHAIPERSONS

Schyt C, GCSS
Wissler S, Governance
Ngobeni L, EISD
Kaldine J, Development Planning
Rafferty P, OCOL
Dellwaria N, GEYODI
Reddy K, Petitions
Nkomo B, Economic Development
De Lange F, Finance
Magwentsha L, HSD
Sifumba N, Community Development

OFFICIALS

T Tseki, Legal Advisor
T Mabogo, Committee Researcher
T Samuel, Acting Committee Coordinator
J Mbedzi, Acting Assistant Director
K Semanya, Unit Head
F Brink, Acting City Manager

1 WELCOME

The Chairperson welcomed all present to the meeting. A special welcome was extended to the Chairpersons of the various Section 79 Committees.

Alternate members were converted to full members of the Committee for the duration of the meeting as per the Standing Rules and Orders of Council: Rule 115(3).

2 LEAVE OF ABSENCE

1 *Applications for leave of absence were received from the following Councillors:*

<i>Councillor T C Buthelezi</i>	<i>:</i>	<i>Council Business</i>
<i>Councillor M Ndlela</i>	<i>:</i>	<i>Council Business</i>

2 *The following Councillors requested to leave the meeting early:*

<i>Councillor N Sifumba</i>	<i>:</i>	<i>13:00 pm due to Urgent Private Business</i>
<i>Councillor K Reddy</i>	<i>:</i>	<i>13:30 pm due to Urgent Private Business</i>
<i>Councillor F De Lange</i>	<i>:</i>	<i>Leave early for Urgent Private Business</i>
<i>Councillor J Kaldine</i>	<i>:</i>	<i>Leave early for Urgent Private Business.</i>

3 *The Acting Chief Operating Officer requested to leave the meeting before 12:00pm due to Council Business.*

RESOLVED

- 1 That the leave of absence be granted to Councillors T Buthelezi and M Ndlela.
- 2 That the request to leave the meeting early be granted to Councillors N Sifumba, K Reddy, F De Lange and J Kaldine.
- 3 That the request to leave the meeting early be granted to the Acting Chief Operating Officer.

3 PRESENTATIONS

1 ASSESSMENT OF THE DEPARTMENT OF DEVELOPMENT PLANNING & JDA ANNUAL PERFORMANCE REPORT 2020/21 by Councillor J Kaldine

Councillor J Kaldine, Chairperson of Development Planning Section 79 Committee presented the oversight report of the Development Planning Committee on the assessment of the Department of Development Planning and Johannesburg Development Agency (JDA). The presentation highlighted the key observations made by the Development Planning Section 79 Committee, key concerns noted by the Committee, key challenges, concerns raised by the Auditor General (AG) and the committee recommendations based on the AG findings.

In conclusion, Councillor Kaldine requested the Municipal Public Accounts Committee (MPAC) note the observations and inputs of the Section 79 Development Planning Committee on the City of Johannesburg 2020/2021 Integrated Annual Report and include the inputs in the Oversight Report of MPAC on the audited Annual Reports of the City of Johannesburg.

Committee members were given an opportunity to comment and pose clarity seeking questions. Councillor T Nontenja, Chairperson of MPAC indicated that the inputs and recommendations would be incorporated in the consolidated oversight report on the City's 2020/21 Annual Report.

2 GEYODI SECTION 79 OVERSIGHT ON 2020/21 FINANCIAL YEAR ANNUAL REPORT OF THE CITY OF JOHANNESBURG by Councillor N Dellwaria

Councillor N Dellwaria, Chairperson of Gender, Youth and People with Disabilities (GEYODI) Committee presented the GEYODI Section 79 oversight on 2020/21 financial year annual report of the City of Johannesburg. The presentation outlined the observations and concerns noted by the GEYODI Section 79 Committee on the Housing Department, Transport Department, Development Planning Department, Health and Social Department and Community Development.

In conclusion, Councillor Dellwaria indicated that information in the report regarding programmes for people with disabilities and gender reporting was limited to assist the Committee to perform its oversight mandate. She further requested MPAC to look at the recommendations that the GEYODI Committee had formulated with an understanding that vulnerable groups in the City would not be forgotten and to create environments in which these groups would not only receive what is rightfully due to them, but that they also thrive in the environment.

Committee members were given an opportunity to comment and pose clarity seeking questions. Councillor T Nontenja, Chairperson of MPAC indicated that the inputs and recommendations would be incorporated in the consolidated oversight report on the City's 2020/21 Annual Report.

3 SECTION 79 COMMUNITY DEVELOPMENT INPUT ON 2020/21 FY ANNUAL OVERSIGHT REPORT by Councillor N Sifumba

Councillor N Sifumba, Chairperson of Community Development Section 79 Committee presented the oversight report of the Section 79 Community Development Committee on the 2020/21 Annual Report of the Department of Community Development, Joburg City Theatres (JCT) and the Johannesburg City Parks and Zoo (JCPZ). The presentation highlighted the legislative context as stipulated in the Municipal Finance Management Act (MFMA) 56 of 2003 and the Standing Rules and Orders of Council. The presentation further outlined key observations made by the Community Development Section 79 Committee, key concerns noted by the Committee, concerns raised by the Auditor General (AG) and the committee recommendations.

Committee members were given an opportunity to comment and pose clarity seeking questions. Councillor T Nontenja, Chairperson of MPAC indicated that the inputs and recommendations would be incorporated in the consolidated oversight report on the City's 2020/21 Annual Report.

4 ANNUAL REPORT ASSESSMENT OF THE SECTION 79 CORPORATE AND SHARED SERVICES COMMITTEE by Councillor C Van Der Schyf

Councillor C Van Der Schyf, Chairperson of Corporate and Shared Services Section 79 Committee presented the annual report assessment of the Corporate and Shared Services Committee on the performance of Group Corporate and Shared Services as reported in the 2020/2021 Annual Report. The presentation highlighted the key observations and concerns made by the Corporate and Shared Services Committee. It further outlined the Auditor General's (AG) remarks and concluded by indicating the recommendations formulated by the Committee.

Committee members were given an opportunity to comment and pose clarity seeking questions. Councillor T Nontenja, Chairperson of MPAC indicated that the inputs and recommendations would be incorporated in the consolidated oversight report on the City's 2020/21 Annual Report.

5 SECTION 79 ECONOMIC DEVELOPMENT COMMITTEE OVERSIGHT ON 2020/21 ANNUAL REPORT by Councillor B Nkomo

Councillor B Nkomo, Chairperson of Economic Development Section 79 Committee presented the oversight report of the Economic Development Section 79 Committee on the 2020/21 Annual Reports of the Department of Economic Development (DED) and its Municipal Entities namely the Joburg Fresh Produce Market (JFPM) and the Joburg Property Company (JPC). The presentation highlighted the key observations and concerns from the Economic Development Committee, points raised by the Auditor General (AG) and the recommendations formulated by the Economic Development Committee.

Committee members were given an opportunity to comment and pose clarity seeking questions. Councillor T Nontenja, Chairperson of MPAC indicated that the inputs and recommendations would be incorporated in the consolidated oversight report on the City's 2020/21 Annual Report.

6 SECTION 79 ENVIRONMENT AND INFRASTRUCTURE SERVICES COMMITTEE INPUT ON 2020/21 FY ANNUAL REPORT by Councillor L Ngobeni

Councillor L Ngobeni, Chairperson of Environment and Infrastructure Services Section 79 Committee presented the Oversight Report of the Environment and Infrastructure Services Committee on the 2020/2021 Annual Report of the Environment and Infrastructure Services Department, Johannesburg City Power, Johannesburg Water

and Pikitup Johannesburg. The presentation outlined the legislative context as stipulated in the Municipal Finance Management Act (MFMA) 56 of 2003 and the Standing Rules and Orders of Council and further highlighted the key concerns and observations made by the Committee.

In conclusion, Councillor Ngobenjani requested the Municipal Public Accounts Committee (MPAC) note the inputs of the Section 79 Environment and Infrastructure Services Committee on the City of Johannesburg Integrated Annual Report and on City Power, Johannesburg Water, and Pikitup Annual Reports. Further, that MPAC include same inputs in the oversight report of MPAC on the audited annual reports of the City of Johannesburg Metropolitan Municipality and Municipal Owned Entities for the 2020/2021 financial year.

Committee members were given an opportunity to comment and pose clarity seeking questions. Councillor T Nontenja, Chairperson of MPAC indicated that the inputs and recommendations would be incorporated in the consolidated oversight report on the City's 2020/21 Annual Report.

7 ANNUAL REPORT ASSESSMENT OF THE SECTION 79 FINANCE COMMITTEE by Councillor F De Lange

Councillor F De Lange, Chairperson of Finance Section 79 Committee presented the oversight report of the Finance Committee on the 2020/21 annual reports analysis of the Department of Finance, Group Information and Communication Technology (GICT) and Metropolitan Trading Company (MTC). The presentation highlighted the financial overview and ratios, Committee's points of emphasis and concerns raised by the Auditor General (AG).

In conclusion, Councillor De Lange requested the Municipal Public Accounts Committee (MPAC) to note the observations and inputs of the Section 79 Finance Committee on the City of Johannesburg 2020/2021 Integrated Annual Report and include the recommendations in the Oversight Report of MPAC on the audited Annual Reports of the City of Johannesburg.

Committee members were given an opportunity to comment and pose clarity seeking questions. Councillor T Nontenja, Chairperson of MPAC indicated that the inputs and recommendations would be incorporated in the consolidated oversight report on the City's 2020/21 Annual Report.

8 SECTION 79 OVERSIGHT COMMITTEE ON GOVERNANCE INPUT ON 2020/21 FY ANNUAL REPORT by Councillor S Wisler

Councillor S Wisler, Chairperson of Section 79 Oversight Committee on Governance presented the oversight report of the Governance Committee on the Governance Cluster, part of the City's 2020/21 Annual Report. The presentation highlighted the performance of the Office of the City Manager in the City's 2020/21 Annual Report. It

further outlined the key observations and concerns raised by the Section 79 Governance Committee, concerns raised by the CoJ Audit Committee, concerns raised by the Auditor General (AG) and the recommendations formulated by the Governance Committee.

In conclusion, Councillor Wiesler requested the Municipal Public Accounts Committee (MPAC) to note the observations and inputs of the Section 79 Governance Committee on the City of Johannesburg 2020/2021 Integrated Annual Report and include the recommendations in the Oversight Report of MPAC on the audited Annual Reports of the City of Johannesburg.

Committee members were given an opportunity to comment and pose clarity seeking questions. Councillor T Nontenja, Chairperson of MPAC indicated that the inputs and recommendations would be incorporated in the consolidated oversight report on the City's 2020/21 Annual Report.

9 SECTION 79 HEALTH AND SOCIAL DEVELOPEMENT COMMITTEE OVERSIGHT REPORT ON THE 2020/21 ANNUAL REPORT WORK REPORTED BY THE HEALTH AND SOCIAL DEVELOPEMNT DEPARTMENTS by Councillor L Magwentshu

Councillor L Magwentshu, Chairperson of Section 79 Health and Social Development Committee presented the Oversight analysis report of Health and Social Development Committee of the 2020/21 Annual Report of the City of Johannesburg. The presentation highlighted the Committee analysis and observations, challenges and concerns raised by the Committee, concerns raised by the Auditor General (AG) and the proposal and recommendations formulated by the Committee.

In conclusion, Councillor Magwentshu requested the Municipal Public Accounts Committee (MPAC) to note the observations and inputs of the Section 79 Health and Social Development Committee on the City of Johannesburg 2020/2021 Integrated Annual Report and include the recommendations in the Oversight Report of MPAC on the audited Annual Reports of the City of Johannesburg.

Committee members were given an opportunity to comment and pose clarity seeking questions. Councillor T Nontenja, Chairperson of MPAC indicated that the inputs and recommendations would be incorporated in the consolidated oversight report on the City's 2020/21 Annual Report.

10 OVERSIGHT COMMITTEE ON THE LEGISLATURE INPUT ON THE ANNUAL REPORT by Councillor P Rafferty

Councillor P Rafferty, Chairperson of Oversight Committee on the Legislature (OCOL) presented the oversight report of OCOL on the 2020/21 Annual Report and the Fourth Quarter Budget and Performance Assessment report of the Legislature of the City of Johannesburg Office of the Ombudsman for the period April to June 2021. The presentation highlighted the Legislature performance summary and the Office of the

Ombudsman performance summary. It further outlined the key observations and concerns that were raised by the Committee and the recommendations formulated by the Committee.

In conclusion, Councillor Rafferty requested the Municipal Public Accounts Committee (MPAC) to note the observations cited in the report, and to incorporate them in the consolidated oversight report on the City's 2019/20 Annual Report.

Committee members were given an opportunity to comment and pose clarity seeking questions. Councillor T Nontenja, Chairperson of MPAC indicated that the inputs and recommendations would be incorporated in the consolidated oversight report on the City's 2020/21 Annual Report.

11 SECTION 79 PUBLIC SAFETY OVERSIGHT REPORT ON THE 2020/2021 ANNUAL REPORT by Councillor S Maila

Councillor S Maila, Chairperson of Public Safety Section 79 Committee presented the Oversight report of the Public Safety Committee on the 2020/21 Annual Performance Assessment Report of the Department of Public Safety for the period July 2020 to June 2021. The presentation highlighted the Constitutional and legislative mandate and the objectives. It outlined the summary of departmental performance of Johannesburg Metropolitan Police Department (JMPD) and Emergency Management Services (EMS) and further outlined the key observations and concerns that were raised by the Public Safety Committee.

In conclusion, Councillor S Maila requested the Municipal Public Accounts Committee (MPAC) to note the observations and inputs of the Section 79 Public Safety Committee on the City of Johannesburg 2020/2021 Integrated Annual Report and include the recommendations in the Oversight Report of MPAC on the audited Annual Reports of the City of Johannesburg.

Committee members were given an opportunity to comment and pose clarity seeking questions. Councillor T Nontenja, Chairperson of MPAC indicated that the inputs and recommendations would be incorporated in the consolidated oversight report on the City's 2020/21 Annual Report.

12 SECTION 79 TRANSPORT COMMITTEE OVERSIGHT ON THE ANNUAL REPORT 2020/21 by Councillor W Alexander

Councillor W Alexander, Chairperson of Transport Section 79 Committee presented the oversight report of the Transport Committee on the 2020/21 Annual Reports of the Transport Department and its municipal entities, namely the Johannesburg Roads Agency (JRA) and Metrobus. The presentation highlighted the key observations and concerns raised by the Committee, findings and concerns raised by the Auditor General (AG) and recommendations that were formulated by the Transport Committee.

In conclusion, Councillor W Alexander requested the Municipal Public Accounts Committee (MPAC) to note the observations and inputs of the Section 79 Transport Committee on the City of Johannesburg 2020/2021 Integrated Annual Report and include the recommendations in the Oversight Report of MPAC on the audited Annual Reports of the City of Johannesburg.

Committee members were given an opportunity to comment and pose clarity seeking questions. Councillor T Nontenja, Chairperson of MPAC indicated that the inputs and recommendations would be incorporated in the consolidated oversight report on the City's 2020/21 Annual Report.

13 2020/21 ANNUAL REPORT INPUTS BY THE SECTION 79 HOUSING COMMITTEE
by B Nkomo

Councillor B Nkomo on behalf of the Chairperson of Housing Section 79 Committee, Councillor A Christians presented the Oversight Report of the Section 79 Housing Committee on the 2020/21 Annual Report of the City of Johannesburg Housing Department and the Johannesburg Social Housing Company (JOSHCO). The analytical performance included both financial and non-financial performance of the Department of Housing and JOSHCO. The presentation highlighted the key observations and concerns raised by the Housing Committee and the recommendations formulated by the Committee.

In conclusion, Councillor B Nkomo requested the Municipal Public Accounts Committee (MPAC) to note the observations and inputs of the Section 79 Housing Committee on the City of Johannesburg 2020/2021 Integrated Annual Report and include the recommendations in the Oversight Report of MPAC on the audited Annual Reports of the City of Johannesburg.

Committee members were given an opportunity to comment and pose clarity seeking questions. Councillor T Nontenja, Chairperson of MPAC indicated that the inputs and recommendations would be incorporated in the consolidated oversight report on the City's 2020/21 Annual Report.

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4 REPORTS

- Item 1 OVERSIGHT REPORT OF COMMUNITY DEVELOPMENT
SECTION 79 COMMITTEE ON THE 2020/21 ANNUAL
REPORTS OF COMMUNITY DEVELOPMENT DEPARTMENT,
JOBURG CITY THEATRES (JCT) AND JOHANNESBURG
CITY PARKS & ZOO (JCPZ)

The objective of the report was to present the Oversight Report of the Section 79 Community Development Committee on the 2020/21 Annual Report of the Department of Community Development, Joburg City Theatres (JCT) and the Johannesburg City Parks and Zoo (JCPZ).

RESOLVED TO RECOMMEND

That MPAC note the observations cited in the report, and incorporate them in the consolidated oversight report on the City's 2020/21 Annual Report.

(COJ LEGISLATURE)
(Vele Muhadi)
(Tel. (011) 407-7463)

- Item 2 OVERSIGHT REPORT OF THE SECTION 79
CORPORATE AND SHARED SERVICES
COMMITTEE ON THE 2020/21 ANNUAL
REPORT

The objective of the report was to provide an assessment of the performance of Group Corporate and Shared Services as reported in the 2020/2021 Annual Report, and to provide comments and recommendations.

RESOLVED TO RECOMMEND

That MPAC note the observations cited in the report and incorporate them in the consolidated oversight report on the City's 2020/21 Annual Report.

(COJ LEGISLATURE)
(Vuyelwa Nkambule)
(Tel. 0826799525)

- Item 3 OVERSIGHT REPORT OF THE DEVELOPMENT PLANNING
SECTION 79 COMMITTEE ON THE 2020/21 ANNUAL
REPORTS OF JOHANNESBURG DEVELOPMENT AGENCY
(JDA) AND THE DEPARTMENT OF DEVELOPMENT PLANNING

The objective of the report was to present the oversight report of the Section 79 Development Planning Committee on the 2020/21 Annual Report of the Department of Development Planning and the Johannesburg Development Agency.

RESOLVED TO RECOMMEND

- 1 That the committee notes and approves the observations cited in the report, and incorporate them in the consolidated oversight report on the City's 2020/21 Annual Report.
- 2 That the JDA reports to the Committee on the lawsuits which the entity is involved in and elaborate on the financial liabilities, by April 2022.
- 3 That the JDA specifies to the Committee the particulars of non-compliance with the MFMA in the annual financial statements, by April 2022.
- 4 That the JDA indicates to the Committee how the KPIs related to the Priority 1 and Priority 2 programmes are measured, by April 2022.
- 5 That the JDA reports to the Committee on the five investigations, relating to allegations of procurement irregularities, corruption and conflict of interest, and explain how these affected the entity's annual financials, by April 2022.

(COJ LEGISLATURE)
(Ms. Ayabulela Ngcaku)
(Tel. (011) 407-7395)

Item 4 OVERSIGHT REPORT OF THE ECONOMIC DEVELOPMENT
SECTION 79 COMMITTEE ON THE 2020/21 ANNUAL
REPORTS OF THE DEPARTMENT OF ECONOMIC
DEVELOPMENT AND ITS MUNICIPAL ENTITIES

The objective of the report was to table the oversight report of the Economic Development Section 79 Committee on the 2020/21 Annual Reports of the Department of Economic Development (DED) and its municipal entities namely the Joburg Fresh Produce Market (JFPM) and the Joburg Property Company (JPC).

RESOLVED TO RECOMMEND

- 1 That MPAC note the observations cited in the report, and incorporate them in the consolidated oversight report on the City's 2020/21 Annual Report.
- 2 That the City Manager, the MMC of the Department of the Economic Development, the Managing Director of the Joburg Property Company, the Chief Executive Officer of the Joburg Fresh Produce Market ensure that the recommendations below are adequately responded to by April 2022, in not doing so the respective people will be summoned to the Section 79 Economic Development in May 2022.
- 3 That the City Manager and the Department of Economic Development provide a report to the Section 79 Economic Development Committee on why 85% of City Departments and Entities do not report on SMME support and what measures are in place to ensure accountability. The report must be submitted to the Section 79 Economic Development Committee by April 2022.

-
- 4 That the Department of Economic Development provides a report on the total cost incurred from inception to completion on the Job Opportunity Seekers Database. The report must be submitted to the Section 79 Economic Development Committee by April 2022.
 - 5 That the Johannesburg Property Company provide a report indicating the accountability measures that have been taken to investigate the irregular expenditure of R63.1 million for the period 2020/21. The report must be submitted to the Section 79 Economic Development Committee by April 2022.
 - 6 That the Joburg Fresh Produce Market provide a report explaining the large increase in employee related costs for the period. The report must be submitted to the Section 79 Economic Development Committee by April 2022.
 - 7 That the Chairman of the Board of the Joburg Fresh Produce Market provides a report on the stability of the key executive positions of the entity indicating when the positions will be filled and human resource matters relating to these be resolved. The report must be submitted to the Section 79 Economic Development Committee by April 2022.
 - 8 That the Chairman of the Board of the Johannesburg Property Company provides a report on the stability of the key executive positions of the entity indicating when the positions will be filled and human resource matters relating to these be resolved. The report must be submitted to the Section 79 Economic Development Committee by April 2022.
 - 9 That the Joburg Property Company provide a comprehensive report on the inter-company debt of the entity. The report must be submitted to the Section 79 Economic Development Committee by April 2022.
 - 10 That the Joburg Property Company provide a report detailing the OHASA-COVID-19 expenditure of R54.1 million. The report must be submitted to the Section 79 Economic Development Committee by April 2022.
 - 11 That the Chairman of the Board of the Joburg Property Company provide a report on the criteria used to determine performance bonuses of all senior executive management. The report must be submitted to the Section 79 Economic Development Committee by April 2022.

(COJ LEGISLATURE)
(Anusha Bhaga)

Item 5 OVERSIGHT REPORT OF THE SECTION 79
ENVIRONMENT, INFRASTRUCTURE AND
SERVICES COMMITTEE ON THE 2020/2021
ANNUAL REPORT OF EISD, CITY POWER,
PIKITUP AND JOHANNESBURG WATER

The objective of the report was to present the Oversight Report of the Section 79 Environment and Infrastructure Services Committee on the 2020/2021 Annual Report of the Environment and Infrastructure Services Department, Johannesburg City Power, Johannesburg Water and Pikitup Johannesburg.

RESOLVED TO RECOMMEND

That the Municipal Public Accounts Committee (MPAC) note the inputs of the Section 79 Environment and Infrastructure Services Committee on the City of Johannesburg Integrated Annual Report and on the City Power, Johannesburg Water, and Pikitup Annual Reports. Further, that MPAC include same inputs in the oversight report of the MPAC Committee on the audited annual reports of the City of Johannesburg Metropolitan Municipality and Municipal Owned Entities for the 2020/2021 financial year.

(COJ LEGISLATURE)
(C Mapitsa)
(Tel. (011) 407-7185)

Item 6 OVERSIGHT REPORT OF THE FINANCE SECTION 79
COMMITTEE ON THE 2020/21 ANNUAL REPORTS
ANALYSIS OF THE DEPARTMENT OF FINANCE;
GROUP INFORMATION AND COMMUNICATION
TECHNOLOGY AND METROPOLITAN TRADING
COMPANY

The objective of the report was to provide an assessment of the performance of Department of Finance, Group Information and Communication Technology and Metropolitan Trading Company as reported in 2020/21 Integrated Annual Report, and to also consider the findings and recommendation reported by the office of Auditor General.

RESOLVED TO RECOMMEND

That the Inputs of the Section 79 Finance Committee on the City's Annual Financial Report for 2020/21 financial year end be considered in the compilation of MPAC final report on the City' Annual Financial Report for 2020/21 financial period.

(COJ LEGISLATURE)
(Vuyelwa Nkambule)

Item 7 OVERSIGHT REPORT OF THE SECTION 79 COMMITTEE
ON GENDER, YOUTH AND PEOPLE WITH DISABILITIES
ON THE CITY'S 2020/21 ANNUAL REPORT

The objective of the report was to outline the oversight findings of the Gender, Youth and People with Disabilities (GEYODI) Committee on the reported performance of the City in terms of Gender, Youth and people living with disabilities in the City's 2020/21 Annual Report.

RESOLVED TO RECOMMEND

- 1 That MPAC note the observations cited in the report.
- 2 That the City's manager together all Executive Directors must have Employment Equity compulsory in their score cards to ensure compliance with the legislation.
- 3 That a breakdown of beneficiaries of title deeds must be reported on in the next financial year's Annual Report

(COJ LEGISLATURE)
(Kebitsamang Mtunzi)
(Tel. (011) 407-6662)

Item 8 OVERSIGHT REPORT OF THE SECTION 79
OVERSIGHT COMMITTEE ON GOVERNANCE
OF THE GOVERNANCE CLUSTER, PART OF
THE CITY'S 2020/21 ANNUAL REPORT

The objective of the report was to table the oversight findings of the Section 79 Oversight Committee on Governance on the reported performance of the Office of the City Manager in the City's 2020/21 Annual Report.

RESOLVED TO RECOMMEND

- 1 That MPAC note the observations cited in the report and incorporate them in the consolidated oversight report on the City's 2020/21 Annual Report.
- 2 That GFIS investigate irregular expenditure incurred by the group to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
- 3 That the accounting officer strengthen an oversight responsibility to senior management accountable for the implementation of preventative controls relating to finance and performance management as well as compliance with legislation.
- 4 That the consequence management for deviating from policies and procedures relating to compliance with laws and regulations implemented adequately.

- 5 That GFIS investigate all irregularities incurred prior 2020/21 financial year

(COJ LEGISLATURE)
(Doctor Mpondo)
(Tel. (011) 407-7301)

Item 9 OVERSIGHT REPORT OF THE HEALTH AND
SOCIAL DEVELOPMENT SECTION 79
COMMITTEE ON THE ANALYSIS OF
THE 2020/2021 ANNUAL REPORT OF
CITY OF JOHANNESBURG

The objective of the report was to table the oversight report of the Health and Social Development Committee on the performance of the City of Johannesburg Health and Social Development Departments concerning its SDBIP projections for the 2020/2021 financial year.

RESOLVED TO RECOMMEND

- 1 That the observations and inputs of the Section 79 Health and Social Development on the City of Johannesburg Integrated Annual Report for 2020/2021 are included in the Oversight Report of the Municipal Public Accounts (MPAC) Committee on the audited Annual Reports of the City of Johannesburg Metropolitan Municipality for the 2020/2021 financial year.
- 2 That the Section 79 HSD Committee is requesting the Department of Social Development to provide clarity on the inconsistency in reporting that was raised by the Auditor General on ESP program in the next Council Meeting.
- 3 That the Section 79 HSD Committee is requesting the Department of Health to provide detailed information (in terms of numbers and regions where the campaigns were done) on the door-to-door campaigns that were reported to have been conducted by end of the financial year.

(COJ LEGISLATURE)
(B Fana)
(Tel. (011) 407-6305)

Item 10 OVERSIGHT REPORT OF OCOL ON THE 2020/21
ANNUAL REPORT OF THE LEGISLATURE OF THE
CITY OF JOHANNESBURG FOR THE PERIOD
1 JULY 2020 TO 30 JUNE 2021

The objective of the report was to present the findings of the Oversight Committee on the Legislature (OCOL) on the 2020/21 annual performance of the City of Johannesburg Legislature.

RESOLVED TO RECOMMEND

That MPAC note the observations cited in the report, and incorporate them in the consolidated oversight report on the City's 2020/21 Annual Report.

(COJ LEGISLATURE)
(Justin Steyn)

Item 11 OVERSIGHT REPORT OF OCOL ON THE 2020/21
FOURTH QUARTER BUDGET AND PERFORMANCE
ASSESSMENT REPORT OF THE LEGISLATURE OF
THE CITY OF JOHANNESBURG OFFICE OF THE
OMBUDSMAN FOR THE PERIOD APRIL
TO JUNE 2021

The objective of the report was to present the findings of the Oversight Committee on the Legislature (OCOL) on the 2020/21 4th quarter performance of the City of Johannesburg Office of the Ombudsman.

RESOLVED TO RECOMMEND

That the Committee note the 2020/21 Fourth Quarter Budget and Performance Assessment Report of the Office of the Ombudsman for the period April to July 2021, noting the observations cited in the body of the oversight report and recommend it to Council for approval.

(COJ LEGISLATURE)

Item 12 OVERSIGHT REPORT OF THE SECTION 79
PUBLIC SAFETY COMMITTEE ON THE
2020/2021 ANNUAL PERFORMANCE
ASSESSMENT REPORT OF THE DEPARTMENT
OF PUBLIC SAFETY FOR THE PERIOD
JULY 2020 TO JUNE 2021

The objective of the report was to table the oversight report of the Public Safety Committee on the 2020/21 Annual Performance Assessment Report of the Department of Public Safety for the period July 2020 to June 2021

RESOLVED TO RECOMMEND

That the Municipal Public Accounts Committee note the Oversight Report on the Annual Report 2020/2021 as it relates to the Department of Public Safety, taking into account the observations made or referred to herein.

(COJ LEGISLATURE)
(Tandisizwe Sidubulekana)

Item 13 OVERSIGHT REPORT OF THE TRANSPORT
SECTION 79 COMMITTEE ON THE 2020/21
ANNUAL REPORTS OF THE TRANSPORT
DEPARTMENT, METROBUS AND
JOHANNESBURG ROAD AGENCY (JRA)

The objective of the report was to table the oversight report of the Transport Section 79 Committee on the 2020/21 Annual Reports of the Transport Department and its municipal entities, namely the Johannesburg Roads Agency (JRA) and Metrobus.

RESOLVED TO RECOMMEND

- 1 That MPAC note the observation cited in the report and incorporate them in the consolidated oversight report of the City's 2020/21 Annual Report.
- 2 That GFIS investigate all irregularities and fraud incurred prior 2020/21.
- 3 That the Transport Department accounting officer comply with key legislation as stipulated in Municipal Finance Management Act 126(1) (2) and Municipal Systems Act 45(b).
- 4 That accounting officer strengthen an oversight responsibility by implementing internal controls to exercise sufficient control discipline over financial reporting.
- 5 That the accounting officer to comply with key legislation to prevent irregularities and abuse of SCM system.

(COJ LEGISLATURE)
(Dr TS MAWASHA: RESEARCHER)
(Tel. (011) 407-7395)

Item 14 OVERSIGHT REPORT OF THE HOUSING SECTION 79
COMMITTEE ON THE 2020/21 ANNUAL REPORTS OF
HOUSING DEPARTMENT AND THE JOHANNESBURG
SOCIAL HOUSING COMPANY (JOSHCO)

The objective of the report was to present the Oversight Report of the Section 79 Housing Committee on the 2020/21 Annual Report of the City of Johannesburg Housing Department and the Johannesburg Social Housing Company (JOSHCO).

RESOLVED TO RECOMMEND

- 1 That the Municipal Public Accounts Committee (MPAC) note the inputs and observations cited in the report and incorporate them in the consolidated oversight report on the City's 2020/21 Annual Report.

- 2 That JOSHCO provide the Committee with progress report regarding Nancefield Station Social Housing project since the contractor was appointed in May 2021, by June 2022.
- 3 That JOSHCO provides the Section 79 Housing Committee with a turnaround strategy to address its shortcomings regarding its failure to meet its KPI's as approved in its Business Plan 2021/22 FY, by June 2022.
- 4 That the DOH provides the Section 79 Housing Committee with a turnaround strategy to address its shortcomings regarding its failure to meet its KPI's as approved in its Business Plan 2021/22 FY, by June 2022.
- 5 That the DOH provides the Section 79 Housing Committee with a detailed report regarding its plans to fastback filling of vacancies in the department, by June 2022.

(COJ LEGISLATURE)

5 ANNOUNCEMENTS

The Chairperson announced that the Committee would have a roundtable discussion with external stakeholders on Thursday, 7th April 2022 at the Constance Connie Bapela Council Chamber 10:00 am. She further announced that SALGA was providing training sessions for MPAC members at the Parktonian hotel on the 7th and 8th April 2022.

6 CLOSURE

The Chairperson thanked all the Committee members, Chairpersons of the various Section 79 Committees and the Officials for their attendance.

THE MEETING ADJOURNED AT 14:15.

.....
CHAIRPERSON

.....
DATE

Annexure E. 7

3rd Ordinary Meeting held on 5 April 2022

MINUTES OF THE 4TH EXTRA-ORDINARY MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON MICROSOFT TEAMS, ON FRIDAY, 18 MARCH 2022, AT 10:00.

PRESENT

COUNCILLORS

Nontenja, C T (UDM) (Chairperson)
Mchunu, A (ActionSA)
Davids-Green, LA (ActionSA)
Modukanene, L C (ActionSA)
Reinten, I M (DA)
Chabalala, M D (DA)
Shackleford, L M (DA)
Moerane, M (ANC)
Buthelezi, T C (ANC)
Ramafikeng, D J (ANC)
Mmbengwa, M N (ANC)
Phakathi, S (IFP)

ALTERNATES

Gantsho, I (ActionSA)
Maila, S M (DA)
Mnyameni, M (ANC)
Sekwaila, B J (ANC)
Reddy, K (UIM)

OFFICIALS

T Tseki, Legal Advisor
T Mabogo, Committee Researcher
T Samuel, Acting Committee Coordinator
J Mbedzi, Acting Assistant Director
K Semanya, Unit Head

1 WELCOME

The Chairperson welcomed all present to the meeting.

The Legal Advisor declared the virtual space a precinct of Council by quoting Rule 7 (b) (c) (d) of the Standing Rules of Council.

- b) Committee rooms and other meeting places provided or used primarily for Council's purposes;*
- c) Every other building or part of a building provided or used in connection with the proceedings of Council, while so used; and*
- d) Every part of the buildings in which the chambers are situated, and every forecourt, yard, garden, enclosure or open space appurtenant thereto.*

Insofar as it may be necessary, in a case where Council or Committees convene beyond the seat of Council, these rules apply as if the premises where Council or committees are meeting were within the precincts of Council.

2 LEAVE OF ABSENCE

1 *Applications for leave of absence was received from:*

- Councillor MN Mmbengwa - Tendered an apology due to a family commitment and will join the meeting later*
Councillor DG Brand - Tendered an apology due to technical difficulties

2 *Apologies were tendered for the following officials:*

- L Naick - Tendered an apology and requested to join the meeting later*

3 *Councillor conversions for the duration of the meeting*

- Councillor SM Maila - Standing in for Councillor DG Brand*
Councillor M Mnyameni - Standing in for Councillor M N Mmbengwa

RESOLVED

- 1 That leave of absence be granted to Councillor M N Mmbengwa and Councillor D G Brand.
- 2 That the request for the conversion of SM Maila and Councillor M Mnyameni to a full member for the duration of the meeting be granted or till such time as the permanent members join the meeting.
- 3 That apologies of L Naick be noted.

3 PRESENTATIONS

The draft questions were presented by the Researcher:

The Committee made the following amendments:

Grammatical amendments were made to Questions 18, 31, 38, 44, 83 and 87.

The Committee made the following additions:

- *Additions were made to Question 18 –*
 - *"a) Have the indigent registers been updated and when?*
 - *b) Has the actual number of indigents increased or decreased?*
 - *c) What are the reasons for such an increase/decrease?*

-
- *d) What measures are in place to verify and validate indigent information to ensure integrity of information in the indigent register?*
 - *e) What is the process of screening applicants?*
 - *f) Can the department submit the list of beneficiaries and households?*
 - *g) What is the status quo on the rescinding of benefits provided to deceased and the residents in the service of the state as identified by AGSA?”*
 - Additions were made to Question 19 –
 - *‘b) Project 2: Lufhereng Housing Development*
 - *a) The projects include a yield of 7425 fully subsidized housing units, AGSA indicated that by the time of audit only 473 units were completed, while 85% of the contract value was spent.*
 - *b) Why is 85% of the budget spent, but only 473 of 7425 units are completed?*
 - *c) Is the remaining 15% of the budget going to produce 6952 units?*
 - *d) Can the department submit lists of projects that were classified as key projects during 2020/21 F/Y?*
 - *e) Does the department have mechanisms in place to monitor the projects?*
 - *f) The response must indicate the projects that had time extension and variation orders of more than 20%, and the reasons thereof.”*
 - Additions were made to Question 38 –
 - *“a) Are there contract registers to monitor the performance?*
 - *b) Are all contractors to the municipality rendering services in relation to a properly signed contract?*
 - *c) Have all contracts or templates contracts used by the municipality been legally vetted?*
 - *d) What plans does the city have to ensure that legal services is involved in the adjudication of contracts?”*
 - An addition was made to Question 43 *“b) What do you attribute the regression to?”*
 - Amendments were made to Question 49 -
 - Removal of bullet referring to *“If no, then how do we know they are effective?”*
 - Addition of *“d) Can the department quantify instances and provide comparative figures of non-compliance, fraud and corruption?*
 - Additions were made to Question 81 –
 - *“b) The AGSA raised a concern on the usefulness and reliability of these two KPI`s. What is the entity doing to address the AGSA’s concerns?*
 - *e) How is the entity measuring it’s performance against its KPIs? (include how was the usefulness and reliability found questionable)”*

- Additions were made to Question 83 –
 - “b) Can the entity provide the committee with a plan to ensure the prevention of the non-compliance raised?
 - What remedial action has been taken? i.e. opening of criminal cases, disciplinary cases
 - Were the service providers blacklisted from doing business with the government?
 - Are there any control measures that detect and restrict a blacklisted service provider (response must include appropriate action taken according to the provisions of the Labour Relations Act and Criminal Procedures Act, respectively)?”
- Additions were made to Question 87 –
 - “b) What is the accounting officer of the entity doing to prevent the recurrence of the audit finding?
 - c) What are the challenges faced by the entity making it to not obtain a clean audit for the second consecutive year?
 - d) What are the plans to prevent this recurrence?
 - e) Are there any mitigating factors to address the material findings?”
- Additions were made to Question 92 –
 - “c) What were the reasons for incurring irregular expenditure of 95 million?
 - d) Was this irregular expenditure internally investigated and if so, what was the outcome of the investigation?”

4 ANNOUNCEMENTS

The Chairperson announced that questions will be circulated to Councillors for their final input and thereafter forwarded to the Office of the City Manager for their responses. The next meeting is scheduled for 5 April 2022 at 10:00 where the Section 79 Committees will be presenting their inputs on the Annual report to MPAC.

The Chairperson proposed inviting former members of MPAC Councillor Lekgetho and Councillor Mendhelson to the meeting of 5 April 2022.

5 CLOSURE

The Chairperson thanked members for their attendance.

THE MEETING TERMINATED AT 14:00.

.....
CHAIRPERSON

.....
DATE

Annexure E. 8

5th Extra-Ordinary Meeting held on 7 April 2022

MINUTES OF THE 4TH ORDINARY MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE HELD AT THE CONSTANCE CONNIE BAPELA COUNCIL CHAMBER, ON TUESDAY, 12 APRIL 2022, AT 10:00.

PRESENT

COUNCILLORS

Nontenja, C T (UDM) (CHAIRPERSON)
Brand, D G (DA)
Buthelezi, T C (ANC)
Chabalala, M D (DA)
Davids-Green, LA (ActionSA)
Mmbengwa, M N (ANC)
Modukanene, L C (ActionSA)
Ndlela, M (ANC)
Nontenja, C T (UDM)
Ramafikeng, D J (ANC)
Reinten, I M (DA)
Shackleford, L M (DA)

ALTERNATES

Gantsho, I (ActionSA)
Mnyameni, M (ANC)
Reddy, K (UIM)
Sekwaila, B J (ANC)

BY INVITATION

MMC :

OFFICIALS

Tseki, T, Legal Advisor
Naick, L, Acting Deputy Director: Committees
Mabogo, T, Committee Researcher
Samuel, T, Acting Committee Coordinator
Mbuli, L, Researcher Assistant
Nxumalo S, GH: GRAS
Mashave T, City Power
Matshelatshefe D, City Power
Mahanjwa N, GRAS
Caswell J, GCSS
Mammakwe N, Social Development
Taaka F, Soacial Development
Naidoo T, Acting Chief operations officer
Lievaat D, SA IAM
Semenya K, Director: OCM
Mlandu M, EH: OCM
Masiya E, AD: GHCM

Pienaar S, Director: MSS GHCM
Kwababa A, GH: GHCM
Dube M, Director MSS GSHELA & FCM
Tshibalo L, Acting GH: MSS GSHELA & FCM
Sibisi W, Fleet specialist
Mmbara T, GSPCR
Manazo N, Assistant Director
Hancock S, DD TSS
Jones M, Director: Field services
Mutheiru R, GRAS

1 WELCOME

The Chairperson welcomed all present to the meeting.

2 LEAVE OF ABSENCE

Applications for leave of absence was received from Councillors Mchunu, Dlanjwa, Mosehla and Nethamba.

Applications for leave of absence was received from the Group Head : GSSCM, MD : Joburg Water and Group Head : Legal.

Councillor Reddy requested to arrive late, as he had a clashing meeting and Councillor Brand requested to leave the meeting at 15:30.

Councillor Gantsho was elevated to a full member in place of Councillor Mchunu, for the duration of this meeting.

RESOLVED

- 1 That leave of absence be granted to Councillors Mchunu, Dlanjwa, Mosehla and Nethamba.
- 2 That leave of absence be granted to the Group Head: GSSCM, MD: Joburg Water and Group Head : Legal.
- 3 That Councillor Reddy be allowed to arrive late and that Councillor Brand be allowed leave the meeting early (15:30).

I N D E X

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CM RESPONSES TO MPAC MATTERS NOTE 42: GENERAL EXPENSES EXPENSE ON THE CONSULTATION AND THE PROFESSIONAL FEES INCREASED BY 64% FROM R295 MILLION IN 2020 TO R484 MILLION IN 2021	6	11

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CM RESPONSES TO MPAC MATTERS: MPAC QUESTION 15: OVERALL AUDIT OUTCOME RESULTS FOR THE CITY REGRESSED FROM ALL ENTITIES AND CORE GETTING UNQUALIFIED AUDIT OPINION IN THE 2019/20 FINANCIAL YEAR TO ONE ENTITY (MTC) GETTING A QUALIFIED AUDIT OPINION DURING THE YEAR UNDER REVIEW. (A) WHAT CAN THE REGRESSION IN THE CITY'S AUDIT OUTCOME BE ATTRIBUTED TO? IN ADDITION, WHAT ARE THE TANGIBLE STRATEGIES THAT THE CITY HAVE IN PLACE TO IMPROVE THE AUDIT OUTCOMES	15	17
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CM RESPONSES TO MPAC MATTERS: MPAC QUESTION 17: MOODY'S DOWNGRADED THE CITY'S CREDIT WORTHINESS TO BA2 IN TERMS OF CREDIT SCALE RATING. WITH OVER 40% OF THE CITY'S CAPITAL EXPENDITURE FUNDED FROM THE BORROWINGS. WHAT IMPACT DID THE DOWNGRADE IN RATING HAD ON THE COST OF BORROWING? THE CITY IS STRUGGLING TO IMPROVE ITS INTERNAL REVENUE COLLECTION; DOES THE DEPARTMENT HAVE ANY PLANS IN PLACE TO FUND CAPEX IF THE LENDERS ARE NO LONGER WILLING TO BORROW THE CITY MONEY?	17	18
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QUESTION 18: AGSA RAISED A MATERIAL FINDING ON THE USEFULNESS AND RELIABILITY OF THE REPORTED PERFORMANCE ON THE NUMBER OF INDIGENT HOUSEHOLDS BENEFITTING FROM ESP (FREE BASIC SERVICES)	18	18
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GROUP CORPORATE AND SHARE SERVICES		
QUESTION 21: NOTE 42: GENERAL EXPENSES EXPENDITURE ON FLEET COSTS FOR THE GROUP INCREASED FROM R861 MILLION IN 2020 TO R1.5 BILLION IN 2021. EXPENDITURE ON FLEET COSTS FOR CJMM INCREASED FROM R142 MILLION IN 2020 TO R330 MILLION IN 2021	21	21
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3 REPORTS

Item 1 SCM RESPONSES TO MPAC MATTERS:
MPAC QUESTION 1: NOTE 7: RECEIVABLES FROM
EXCHANGE TRANSACTIONS FRUITLESS AND
WASTEFUL EXPENDITURE RECEIVABLE MOVED
FROM R2 MILLION IN THE PREVIOUS F/S TO R0
IN THE CURRENT FINANCIAL YEAR

The Committee required clarity on the following:

- *Clarity was sought in terms of the figures.*
- *Why did GFIS or Internal Audit fail to submit the list of amounts which needed to be recovered in time?*

In response the official reported in the following manner:

- *A breakdown of the figures was explained to the committee.*
- *It was explained that the report had served before MPAC and it was referred for recovery.*
- *The report is ready and would be served again in MPAC after the Annual Report process.*

NOTED

(FINANCE)
(Mr N Baloyi)
(Tel. (011) 358-3854)

Item 2 QUESTIONS 2 TO THE ACCOUNTING OFFICER
FOR THE 2020/21 ANNUAL REPORT: ANNUAL
FINANCIAL STATEMENT NOTE 10- CONSUMER
DEBTORS

The Committee required clarity on the following:

- *A concern was raised on the responses on the email services to billing queries.*
- *Clarity was sought on what the budget for the open days was used for.*

In response the official reported in the following manner:

- *The issue of the emails will be inspected.*

- *It was explained that the budget for the open days is used for support services, catering and hiring services, information support, transportation and overtime.*

NOTED

(FINANCE)

(Johannes Morebane)

Item 3 QUESTION 3 FOR THE 20/21 ANNUAL REPORT
REPAIRS AND MAINTENANCE EXPENDITURE

The Committee required clarity on the following:

- *Clarity was sought on whether the departments were individually responsible for their own R&M budget spent.*
- *What are the reasons for the delay in MCOA implementation?*
- *What is the impact on the under performance on this KPI?*

In response the official reported in the following manner:

- *It was confirmed and explained that the departments are responsible for their own budget spent.*
- *It was explained that the deterioration in the assets and buildings are evident as a result in departments not spending in their R&M budgets.*
- *Aging infrastructure needs to be renewed and refurbished.*

The Committee requested the following:

- *Can the department have a special meeting with the Committee to update the Committee on the MSCOA project.*

NOTED

(FINANCE)

(David Lievaart)

(Cell 083 702 4815)

- Item 4 MPAC QUESTION 4: NOTE 34: GOVERNMENT GRANTS AND SUBSIDIES THE GROUP PAID BACK, R127.7 MILLION FOR THE PUBLIC TRANSPORT NETWORK GRANT (OPERATIONAL PROJECTS), R9.8 MILLION FOR THE NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT, R12.9 MILLION FOR JOZI IHLOMIHLE (HIV/AIDS) PROVINCIAL GRANT, AND R136 THOUSAND FOR THE EXPANDED PUBLIC WORKS PROGRAMME

The Committee required clarity on the following:

- *Does the returned funds impact on other similar projects in the new financial year/s?*
- *Has the National Treasury considered that some projects could not be completed to the impact of COVID 19?*
- *The report did not have reasons why the grants were not used.*

In response the official reported in the following manner:

- *It was explained that if the amount was not used in the current financial year, the carried over amount is the amount allocated for the project, there is no new amounts given, unless the project uses all the funds in the planned financial year.*
- *The departments are to provide the reasons why the grants were not used.*
- *It was confirmed that if a department does not spend the grant allocated, it does affect the allocations for the grant in the next financial year.*

RESOLVED

That the separate departments submit reports on why the grants were not used in the intended financial year.

NOTED

(FINANCE)

(Gwendoline Segalo)

(Tel. (011) 242-1070)

- Item 5 QUESTION 5 TO THE ACCOUNTING OFFICER FOR THE 2020/21 ANNUAL REPORT: ANNUAL FINANCIAL STATEMENT NOTE 42- GENERAL EXPENSES, DEBT COLLECTION EXPENSES

The Committee required clarity on the following:

- *How does the City ensure the contractors are acting in the best interest of the City?*
- *Does all the debt collectors work on the same percentage of commission?*
- *Was a study done to determine if the City could do these services internally via a separate legal department?*

- *Does the City not have internal staff who manage collections and how is it determined which accounts are handed over to debt collectors?*

In response the official reported in the following manner:

- *It was explained which services the City uses external service providers for.*
- *It was explained that some former contractors do manipulate the City's processes, they City is trying to address these issues with the MOEs.*
- *There are hotline numbers for the citizens to make use of, in terms of reporting wrong doings by contractors.*
- *The commission is standard across all debt collection companies.*
- *The department does not have the capacity to deal with the debt themselves.*
- *Some collections are also not possible for various reasons, the department also uses service providers in those instances.*

NOTED

(FINANCE)

(Savuya Hansford)

Item 6 CM RESPONSES TO MPAC MATTERS NOTE 42:
GENERAL EXPENSES EXPENSE ON THE CONSULTATION
AND THE PROFESSIONAL FEES INCREASED BY 64%
FROM R295 MILLION IN 2020 TO R484 MILLION IN 2021

The Committee required clarity on the following:

- *Clarity was sought on the detail of the major movement in City Power*
- *What role does Group Legal play in assisting core and entities on legal matters?*
- *Does the City have attorneys which can appear in court or does the City rely on outsourcing these attorneys?*
- *Can City Power provide details on the scope of consultation for the service provider (R33m)?*

In response the official reported in the following manner:

- *Group Legal confirmed that their role was to assist the core departments, each entity has their own legal department to assist with legal matters, however, Group Legal does still assist where possible.*
- *It was explained that the legal advisors were no longer practicing attorneys and the issues taken to the high courts were also outsourced.*
- *It was explained that the City Power increase in legal fees was due to the increase in the contracts which were implemented.*
- *The R33m for leadership and performance had many aspects attached to it, it was explained by example of the ISO standards.*

RESOLVED

That each entity provide a detailed report on the increases, inclusive of reasons.

NOTED

(FINANCE)
(N Nxasana)

Item 7 CM RESPONSES TO MPAC MATTERS
EXPENSES FOR SOFTWARE

The Committee required clarity on the following:

- *The report did not explain if all the software / licenses was being used by the City.*
- *Will the software integrate the various systems in the departments and entities.*

In response the official reported in the following manner:

- *It was advised that all the software bought, there has been no wasteful expenditure reported.*
- *There is a plan to start linking various systems together, the departments and entities are being clustered together according to the type of services that should be linked.*

RESOLVED

That GICT report on the increased expenses on software procurement.

NOTED

(FINANCE)
(N Nxasana)

Item 8 CM RESPONSES TO MPAC
MATTERS: QUESTION 8

The Committee required clarity on the following:

- *Is the department on track for the interim Annual Financial Statements?*

In response the official reported in the following manner:

- *It was confirmed that the interim Annual Financial Statements are on track.*

NOTED

(FINANCE)
(N Nxasana)

Item 9 CITY POWER RESPONSE TO MPAC
QUESTION 9 – NON TECHNICAL LOSSES

The Committee required clarity on the following:

- *How will City Power decrease the downtime for customers?*
- *Can the demand levy for businesses be reconsidered?*
- *Are we likely to see less than 20% non-technical losses by the end of the Financial Year?*

In response the official reported in the following manner:

- *It was explained how the department was trying to decrease downtime for customers.*
- *The age of the network infrastructure is a problem and needs to be refreshed soon.*
- *The demand levy was reviewed, and the demand levy is at it's lowest. However, the demand is looking at redesigning the levies / tariffs.*
- *The demand has a plan in which it forecasts that the next financial year, there will be a reduction of non-technical losses to about 19% with a steady reduction each financial year.*

NOTED

(CITY POWER JOHANNESBURG (SOC) LTD)
(David Matsheketsheke)
(Tel. (011) 490-7636)

Item 10 CM RESPONSES TO MPAC MATTERS:
MPAC QUESTION 10: DEVIATION FROM
SCM-THE NOTE LISTS THE CONTRACTS
THAT WERE PROCURED USING REGULATION
36 FOR CORE TO THE VALUE OF R1.2 BILLION.

The Committee required clarity on the following:

- *The move to E-Procurement was welcomed.*

-
- *Clarity was sought on whether GSSCM is fully capacitated, is this the cause of the use of regulation 32.*

- *What is the date to implement a fully automated contract register or monitoring tool?*
- *Will there be any future findings over contract management / monitoring?*
- *Why was tender A835 not concluded before the expiry of the old contract?*
- *Are there any consequences on the people who monitor the contract registers?*

In response the official reported in the following manner:

- *It was advised that regulation 32 was now prohibited in the City. The regulation 36 procurement is being scrutinized going forward, to only ensure that the procurement is allowed in extreme circumstances and not due to bad administration. Proper guidelines will be issued to officials.*
- *The GSSCM is not fully capacitated, the structure needs to be evaluated, to ensure that is properly budgeted for. The structure will be checked on which supply chain processes are also not covered, and the structure will be amended as such.*
- *The automated contract management system is a part of the MSCOA project.*

NOTED

(FINANCE)

(S Leso)

(Tel. (011) 407-6279)

Item 11 CM RESPONSES TO MPAC MATTERS:
MPAC QUESTION 11: AWARDS MADE
TO CLOSE FAMILY MEMBERS

The Committee required clarity on the following:

- *Can the City implement a backup (fail safe) self-declaration for suppliers to declare that they have no family / friends who would be involved in the said procurement for personal interest?*
- *Are there consequences for employees who fail to declare their interests?*
- *When will the fully functional electronic system be implemented?*

In response the official reported in the following manner:

- *The MBD Forms are the declarations which the Committee was asking about.*
- *If an employee does not fill in a declaration form, they are referred to GFIS to check why such has not been done.*

RESOLVED

That GFIS would submit a report of the employees that have been reported to GFIS for the past two (2) financial years.

(FINANCE)
(S Leso)
(Tel. (011) 407-6279)

Item 12 CM RESPONSES TO MPAC MATTERS:
MPAC QUESTION 12: AGSA RAISED
A CONCERN OVER THE NON-MONITORING
OF PERFORMANCE OF CERTAIN SERVICE
PROVIDERS

The Committee required clarity on the following:

- *What are the plans to move away from the manual system?*

In response the official reported in the following manner:

- *The plan will be presented by GICT as it is in line with the MSCOA system.*

NOTED

(FINANCE)
(S Leso)
(Tel. (011) 407-6279)

Item 13 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE:
QUESTION 13 TO THE ACCOUNTING OFFICER
FOR THE 2020/21 ANNUAL REPORT: ANNUAL
FINANCIAL STATEMENT NOTE 51- ADDITIONAL
DISCLOSURE.

The Committee required clarity on the following:

- *Does the department solely rely on the Councillors to come forward with outstanding accounts?*

In response the official reported in the following manner:

- *It was explained how the outstanding amounts are deducted from the Councillors salaries.*
- *It was explained that Councillors who have made payment arrangements may not have deductions in their salaries.*

RESOLVED

That a more detailed report can be provided to the MPAC.

(FINANCE)

Item 14 QUESTION 14: GROUP CORPORATE AND SHARED SERVICES (GCSS) IS RESPONSIBLE FOR A MATERIAL PORTION OF UIFW EXPENDITURE IN THE CORE, NOTABLY THROUGH ITS ADMINISTRATION AND LOGISTICS UNIT REGARDING CELLPHONE CONTRACT WHICH CONTRIBUTE TO IRREGULAR EXPENDITURE OF R8.7 MILLION IN THE CURRENT FINANCIAL YEAR.

The Committee required clarity on the following:

- *How much was paid per sim card?*
- *Did the sim cards did not have handsets, how was the sim cards used?*
- *What caused the deadlock between the city and MTN; and why did the city make the payment before all service level agreements were concluded?*
- *Is the money not recoverable from the service provider or the officials who were responsible?*
- *Is it normal for the city to purchase this amount of sim cards from the service provider?*

In response the official reported in the following manner:

- *It was explained that the City collected the sim cards in April 2019 and the problem was only detected in August 2019.*
- *The problem with the refusal of the porting from Telkom to MTN was explained. The City still had the handsets which were provided by Telkom, hence there was no need for handsets.*
- *Some information is sub-judice and would be communicated when disciplinary proceedings are concluded.*

RESOLVED

That a detailed report will be provided to the committee (in-committee).

(GROUP CORPORATE AND
(Mboniseni Nemaangani)

SHARED SERVICES)

- Item 15 CM RESPONSES TO MPAC MATTERS: MPAC QUESTION 15: OVERALL AUDIT OUTCOME RESULTS FOR THE CITY REGRESSED FROM ALL ENTITIES AND CORE GETTING UNQUALIFIED AUDIT OPINION IN THE 2019/20 FINANCIAL YEAR TO ONE ENTITY (MTC) GETTING A QUALIFIED AUDIT OPINION DURING THE YEAR UNDER REVIEW. (A) WHAT CAN THE REGRESSION IN THE CITY'S AUDIT OUTCOME BE ATTRIBUTED TO? IN ADDITION, WHAT ARE THE TANGIBLE STRATEGIES THAT THE CITY HAVE IN PLACE TO IMPROVE THE AUDIT OUTCOMES

The Committee required clarity on the following:

- *Can the entity provide a report on the progress of appointing a service provider?*
- *Is the entity disputing the findings of the AGSA?*
- *Did the enhanced business model affect the life of the network assets?*

In response the official reported in the following manner:

- *The entity is not disputing the findings of the AGSA.*
- *The enhanced business model was developed as a result of the aging networks.*

RESOLVED

That the entity will provide an update on the appointment of a service provider.

(METROPOLITAN TRADING COMPANY)
(Rajen Chetty)

- Item 16 PROGRESS REPORT ON THE IMPLEMENTATION OF THE CITY'S DISASTER RECOVERY PLAN AND BUSINESS CONTINUITY PLANS

The Committee required clarity on the following:

- *Is there a plan to capacitate departments?*

In response the official reported in the following manner:

- *The City is going through an institutional review which will accommodate for this plan.*

NOTED

(OFFICE OF THE CITY MANAGER)

- Item 17 CM RESPONSES TO MPAC MATTERS:
MPAC QUESTION 17: MOODY'S DOWNGRADED THE CITY'S CREDIT WORTHINESS TO BA2 IN TERMS OF CREDIT SCALE RATING. WITH OVER 40% OF THE CITY'S CAPITAL EXPENDITURE FUNDED FROM THE BORROWINGS. WHAT IMPACT DID THE DOWNGRADE IN RATING HAD ON THE COST OF BORROWING? THE CITY IS STRUGGLING TO IMPROVE ITS INTERNAL REVENUE COLLECTION; DOES THE DEPARTMENT HAVE ANY PLANS IN PLACE TO FUND CAPEX IF THE LENDERS ARE NO LONGER WILLING TO BORROW THE CITY MONEY?

The Committee required clarity on the following:

- *Is the City looking at mitigating the factors leading up to the downgrade?*

In response the official reported in the following manner:

- *It was explained that the main reason is the impact of COVID19 and the rate of revenue collection, which was a knock-on effect of the economy.*
- *The second main reason was the decline in international funders, which was commercial banks. This was also because of the economy declining on a global scale.*
- *These two main reasons which were outside of the control of the City and lasted 18 – 24 months. This effected the borrowing of the City.*
- *The City can improve the status by collecting revenue and generating more income.*

NOTED

(FINANCE)
(Mabandla Sibisi)

- Item 18 QUESTION 18: AGSA RAISED A MATERIAL FINDING ON THE USEFULNESS AND RELIABILITY OF THE REPORTED PERFORMANCE ON THE NUMBER OF INDIGENT HOUSEHOLDS BENEFITTING FROM ESP (FREE BASIC SERVICES)

The Committee required clarity on the following:

- *Is this finding likely to be repeated in the new financial year?*
- *Does the department have internal strategies or controls in place to prove the credibility of information?*
- *Does the department try to recover the money paid out for deceased and state employee accounts? How were the deceased beneficiaries paid? Can these amounts be quantified?*
- *Who does the screening of applicants? Are they trained adequately?*

In response the official reported in the following manner:

- *The likeliness that this finding will be repeated is high because the department does not have a data source verification system. Beneficiaries are therefore not vetted before rebates are paid out.*
- *The department has no way to check for deceased applicants, aside from physical verification which happens every six months.*
- *The department is a special project unit, which has not been capacitated. This is the reason why the department uses the EPWP employees. This is a challenge as the EPWP employees are not adequately skilled to perform these tasks. EPWP employees have also been suspected of taking monies for adding people who do not qualify, onto the database.*
- *The department is hopeful to purchase the data sourcing system by June 2022, this would help with cleaning out the system.*
- *The department is not capacitated to do additional verification.*
- *The department advised that they are in process of establishing a fraud management committee which would look at state employees who are claiming or benefitting from the ESP.*

RESOLVED

That a report should be tabled on the efforts made in terms of the recovery of money from state employees and deceased accounts, the systems to be implemented and a strategy to improve the performance of the department / unit.

(SOCIAL DEVELOPMENT DEPARTMENT)
(Farida Moola)

Item 19 QUESTION 19: PROJECT 1: GOUDKOPPIES WASTEWATER TREATMENT WORKS

The Committee required clarity on the following:

- *Clarity was sought on whether the construction of the plant was handled by JDA or Joburg Water?*
- *Was any part of the expenditure classified as UIFW by management or the AGSA?*
- *Was the additional cost inclusive of CPA and contingencies?*
- *Why did the City award the contract without a plan on how the performance of the contractor would be monitored?*
- *What contract management tools are in place to avoid such an occurrence in future?*
- *Was the CPA and contract expansion communicated to the AGSA?*
- *What is the status quo of these projects?*

In response the official reported in the following manner:

- *Joburg Water is responsible for the construction of the site.*
- *There was an amount declared as UIFW, this was worked out and agreed with the AGSA.*
- *The project was planned properly, and all processes were followed. The issue of the bill of quantities not available, it is not clear how that happened as all contracts should have a bill of quantities.*
- *The CPA and contract expansions were disclosed to the AGSA, however, the AGSA maintained that this was a finding.*
- *The project is at 96% complete and would be completed by June 2022.*

RESOLVED

That the Department (Goudkoppies) would bring a more detailed report, which would outline the disagreement with the AGSA.

(JOHANNESBURG WATER (SOC) LTD)
(William Chitsa)
(Tel. (011) 688-1603)

Item 20 FINAL QUESTIONS TO THE EXECUTIVE ON THE CITY OF JOHANNESBURG 2020/21 ANNUAL REPORT 20/21: WHY GENERAL EXPENSES R273 MILLION FOR MPAC—T (ALSO BASED ON NOTE 42 OF THE AUDITED 2020/21 ANNUAL FINANCIAL STATEMENTS)

The Committee required clarity on the following:

- *Was the entire R273m spent solely on armed responses?*

In response the official reported in the following manner:

- *It was confirmed that the R273m was used for armed response.*

NOTED

(GROUP FINANCE)
(Charity Wurayayi)
(Cell. 083 288 3769)

Item 21 QUESTION 21: NOTE 42: GENERAL EXPENSES
EXPENDITURE ON FLEET COSTS FOR THE GROUP
INCREASED FROM R861 MILLION IN 2020 TO
R1.5 BILLION IN 2021. EXPENDITURE ON FLEET
COSTS FOR CJMM INCREASED FROM R142 MILLION
IN 2020 TO R330 MILLION IN 2021

The Committee required clarity on the following:

- *Can the GCSS provide a breakdown of the vehicles per department?*
- *Does the average cost of R10 000 include fuel?*
- *Has the city procured new contracts (following all processes) for the ones which have expired and are expiring?*

In response the official reported in the following manner:

- *The department can provide the breakdown of the vehicles per department.*
- *The average cost of R10 000 per month is only for the rental of the vehicles.*
- *Procurement for the replacement of the AVIS and Afrirent contracts are at an advanced stage, this should be finalized shortly. The red fleet contract has been awarded already and an SLA is being developed.*

RESOLVED

That a similar report on the fuel costs be submitted to the committee.

(GROUP CORPORATE AND SHARE SERVICES)
(Wendy Sibisi)
(Mporo Phooko)
(Tel. (011) 407-6118)

Item 22 QUESTION 22: INTERNAL CONTROLS
OVER MANUAL LEAVE MANAGEMENT
WITHIN THE CITY

The Committee required clarity on the following:

- *What is the role of Group Human Capital if they are not in control of the HR environment?*

In response the official reported in the following manner:

- *The roles were explained in detail on how Group Human Capital Management keeps records, advises management and monitors HR activities.*

NOTED

(GROUP CORPORATE AND SHARED SERVICES)
(Sanet Hancock)
(Tel. (011) 407-6111)

Item 23 QUESTION 23: DISCIPLINARY ACTION
TAKEN ON CASES OF FINANCIAL MISCONDUCT

The Committee required clarity on the following:

- *Is there any sort of grading on the level of misconduct?*
- *What impact does the absence of the disciplinary board have on the misconduct cases?*

In response the official reported in the following manner:

- *The department advised that the lack of the disciplinary board has many challenges. Capacity has been a challenge; the disciplinary board would assist in that regard.*
- *Classification / grading would be done once the disciplinary board is capacitated and operational.*
- *The City Manager explained that the disciplinary board has been established but has not been operational yet.*

RESOLVED

- 1 That a full detailed report on the status of employees who have undergone a disciplinary process (as per the report submitted).
- 2 That a report which outlines the status quo of the disciplinary board.

NOTED

(GROUP CORPORATE AND SHARED SERVICES)
(Mathews Lengwasa)
(Tel. (011) 407-6810)

Item 24 QUESTION 24: HOW LONG ON AVERAGE
DOES IT TAKE TO FINALISE A DISCIPLINARY CASE

The Committee required clarity on the following:

- *Does the city have a specified time frame, which is legislated, to complete the investigations?*

In response the official reported in the following manner:

- *The department advised that an investigation does not have a legislated time frame, however, a disciplinary process should not take more than 3 months.*

NOTED

(GROUP CORPORATE AND SHARED SERVICES)
(Mathews Lengwasa)
(Tel. (011) 407-6810)

Item 25 QUESTION 25: HOW IS IT ENSURED THAT
ALL OFFICIALS IN THE GROUP ARE AWARE
OF AND HAVE COMMITTED TO THE CODE
OF CONDUCT

NOTED

(GROUP CORPORATE AND SHARED SERVICES)
(Mathews Lengwasa)
(Tel. (011) 407-6810)

Item 26 QUESTION 26: VACANCIES AND ACTING
APPOINTMENTS IN SENIOR MANAGEMENT
POSITIONS ACROSS THE CITY GROUP

NOTED

(GROUP CORPORATE AND SHARED SERVICES)
(Nothando Nyembe)
(Tel. (011) 407-6111)

Item 27 QUESTION 27: THE PERCENTAGE OF POSITIONS
VACANT FOR EACH DEPARTMENT IN THE CITY
IN 2020/2021

The Committee required clarity on the following:

- *If employees are working so much overtime, how are the departments ensuring the well-being of the employees?*
- *Does the City have a plan to reduce the amount of overtime paid to employees?*
- *Is the overtime worked monitored and approved by senior staff members to avoid abuse of the system?*
- *How was overtime monitored and approved during COVID 19 Work From Home regulations?*

In response the official reported in the following manner:

- *It was explained that the health of the employees is taken into consideration.*
- *It was explained that the head of the department must approve overtime, that is the process every department must follow. Overtime will not be processed without the head of the department approving first.*
- *The HR Field Services have prioritized the filling of vacancies to reduce the strain and overtime of employees.*

NOTED

(GROUP CORPORATE AND SHARED SERVICES)
(Sanet Hancock)
(Tel. (011) 407-6111)

Item 28 QUESTION 28: PERCENTAGE OF POSITIONS
VACANT FOR EACH MUNICIPAL ENTITY OF
THE CITY IN 2020/2021

NOTED

(GROUP CORPORATE AND SHARED SERVICES)
(Enzo Masiya)
(Tel. (011) 407-7604)

4 ANNOUNCEMENTS

The Chairperson advised that the meeting on 13 April 2022 would start at 9:00am.

5 CLOSURE

The Chairperson thanked members for their attendance.

THE MEETING TERMINATED AT 17:10.

.....
CHAIRPERSON

.....
DATE

Annexure E. 9

4th Ordinary Meeting held on 12 April 2022

MINUTES OF THE 5TH EXTRA-ORDINARY MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE HELD ON MICROSOFT TEAMS, ON THURSDAY, 7 APRIL 2022, AT 10:00.

PRESENT

COUNCILLORS

Nontenja, C T (UDM) (Chairperson)
Davids-Green, LA (ActionSA)
Mmbengwa, M N (ANC)
Modukanene, L C (ActionSA)
Nontenja, C T (UDM)
Phakathi, S (IFP)
Reinten, I M (DA)
Shackleford, L M (DA)

ALTERNATES

Gantsho, I (ActionSA)

BY INVITATION

JPOMA: Angela Rivers
SAICA: Natashia Soopal

OFFICIALS

T Tseki, Legal Advisor
L Naick, Acting Deputy Director: Committees
T Mabogo, Committee Researcher
T Samuel, Acting Committee Coordinator
L Mbuli, Researcher Assistant
F Brink, Acting City Manger
K Semanya, Director : OCM

1 WELCOME

The Chairperson welcomed all present at the meeting. A special welcome was extended to the external stakeholders namely, Ms Natashia Soopal, Senior Executive from the South African Institute of Chartered Accountants (SAICA) and Ms Angela Rivers, General Manager from the Johannesburg Property Owners and Managers Association (JPOMA).

2 LEAVE OF ABSENCE

Applications for leave of absence was received from:

<i>Councillor A Mchunu</i>	-	<i>tendered an apology of non-attendance</i>
<i>Councillor M Dlanjwa</i>	-	<i>tendered an apology of non-attendance</i>
<i>Councillor R Nethamba</i>	-	<i>tendered an apology of non-attendance</i>
<i>Councillor M Moerane</i>	-	<i>tendered an apology of non-attendance</i>
<i>Councillor D J Ramafikeng</i>	-	<i>tendered an apology of non-attendance</i>
<i>Councillor M Mnyameni</i>	-	<i>tendered an apology of non-attendance</i>
<i>Councillor T C Buthelezi</i>	-	<i>tendered an apology of non-attendance</i>
<i>Councillor M D Chabalala</i>	-	<i>tendered an apology of non-attendance</i>
<i>Councillor D G Brand</i>	-	<i>tendered an apology of non-attendance</i>
<i>Councillor S M Maila</i>	-	<i>tendered an apology of non-attendance</i>
<i>Councillor K J Mosehla</i>	-	<i>tendered an apology of non-attendance</i>
<i>Councillor B J Sekwaila</i>	-	<i>tendered an apology of non-attendance</i>
<i>Councillor C Nzimande</i>	-	<i>tendered an apology of non-attendance</i>

RESOLVED

That leave of absence be granted to Councillor A Mchunu, Councillor M Dlanjwa, Councillor R Nethamba, Councillor M Moerane, Councillor D J Ramafikeng, Councillor M Mnyameni, Councillor T C Buthelezi, Councillor M D Chabalala, Councillor D G Brand, Councillor S M Maila, Councillor K J Mosehla, Councillor B J Sekwaila and Councillor C Nzimande.

3 PRESENTATIONS

1 COMMENTS FROM JOHANNESBURG PROPERTY OWNERS & MANAGERS ASSOCIATION (JPOMA) by Angela Rivers

Ms A Rivers, General Manager of Johannesburg Property Owners and Managers Association (JPOMA) highlighted that JPOMA represents most Johannesburg Inner-City property investors and managing agents who are active in the rejuvenation of the Inner-City through building upgrades, conversions and effective urban and building management. She stated that the comments are representative of a range of Inner-City stakeholders and are therefore a consolidated response to the public request advertised by the CoJ.

She raised a concern with regards to the capital under expenditure as it not only results in a lack of service delivery and critical infrastructural upgrading, but also has implications on the budgeting processes and overall budget allocation to the affected departments and entities. Therefore, many projects are either delayed or partially implemented or scrapped altogether.

She stated that the challenges emanating from underspending were Supply Chain Management (SCM) and related procurement processes, work disruptions and appointment of unsuitable and illegitimate contractors. She stated that the supply chain process was crippling and became burdensome and in some cases and ineffective

because it could take a year for a contractor to be appointed and by that time the budget has to be reallocated. She said in many instances it is reported that these processes either severely delay project implementation, or in some cases results in the complete abandonment of a project. She further said that the current SCM processes are debilitating, inefficient, regressive and overly limiting and they urged the COJ to address this as a matter of urgency as it is ultimately the general public and citizens of the city who suffers as a result of non-service delivery.

She highlighted that there were persistent work disruptions by local labour and communities. She stated that such disruptions cause severe havoc for budget expenditure and overall project progress resulting in extensively extended implementation periods of turnaround times. She said that the disruptions were more often than unmanageable and in some cases they were violent. She recommended that the city revisit its strategy to deal with the events.

She requested the city to increase the stakeholder engagement with the general public. She stated that they have been waiting for approval and implementation of the Informal Trading Policy for a couple of years and that would assist in the unemployment in the city and closing the gap in the skilled and the informal markets. She noted that the Development Planning Department did the Green Building Policy which was a very extensive policy. She said that despite the intention, the community inputs were not adequately represented in the final IDP. She enquired if the refuse removal survey was conducted in the Inner City as developers, landlords and citizens within the city were not happy with the refuse removal. She stated that in most cases they have outsourced cleaning and refuse removal or doing their own cleaning within the city.

She indicated that there were changes on the Johannesburg Website and the website itself was very cumbersome as it was very difficult to find documents and it was not user friendly. She asked what the reasons for Joburg Water's under expenditure were and why Joburg Water's Service Standard KPI figures were not reflected in the report. She said that the challenge with City Power was the corruption within their contractors whereby contractors threaten to disconnect properties without a valid disconnection card, without a pre termination notice to solicit bribes. She stated that electricity meters were not linked to accounts as there was little communication between City Power and the Revenue Department to do the link and that needed to be corrected urgently.

She mentioned that there have been incidents of customers reporting illegal connections and then became the targets of the electricity thieves and the contractors who received a bribe to turn a blind eye. She said that there should be a way for customers to report illegal connections without being compromised. She expressed her disappointment with regards to the poor performance of Housing and said that it should be a real concern for the CoJ. She asked what was being done by the illegal land invasions that are being reported. She further asked why JOSHCO's security budget exceeded by 478% (R 17.8 m).

She stated that within the Capital Investment Project, JOSHCO has listed a building called Casa Mia and that building was hijacked and is causing a significant strain on the surrounding community. She said that the building has become a crime hotspot and it was concerning.

She indicated that the general impression of the private sector and the public regarding the Department of Economic Development is that they were nowhere near achieving the objective and this may be due to a lack of public information and marketing by the department on programmes, initiatives and achievements.

She raised a concern with the illegal dumping taking place in urban areas such as the Inner City and enquired if the City have a formal response to this issue. She further sought clarity on the Johannesburg Business Forum (JBF) and stated that the Department of Economic Development (DED) has been very silent since the last JBF meeting in October 2021. She enquired if DED can perhaps communicate the status of the JBF and the next actions.

Committee members were given an opportunity to comment and pose clarity seeking questions.

The Committee commended Ms A Rivers for the comments and indicated that she reflected what a lot of Ward Councillors were experiencing on daily basis. It sought clarity and enquired if JPOMA was looking at expanding to other areas in the city as their comments were only based on the inner City. The Committee asserted that the city was experiencing the same behaviour and challenges across all the city regions.

In response, Ms A Rivers indicated to the Committee that a decision was taken in their Executive Committee this year (2022) to expand the borders of their association to include anyone who receives City of Johannesburg accounts. She further highlighted that they were starting a marketing and Public Relations (PR) process to start helping other communities with the goal of eventually expanding in Gauteng as a whole. She concurred with the Committee that the challenges experienced in the inner city are the same across all the regions.

The Chairperson commended Ms A Rivers on behalf of the Municipal Public Accounts Committee for the comments from Johannesburg Property Owners and Managers Association (JPOMA). She assured her that the inputs and recommendations would be incorporated in the consolidated oversight report on the City's 2020/21 Annual Report.

2 COMMENTS FROM THE SOUTH AFRICAN INSTITUTE OF CHARTERED ACCOUNTANTS (SAICA) by Natasha Soopal

Ms N Soopal, Senior Executive from the South African Institute of Chartered Accountants (SAICA) indicated to the Committee that she is responsible for the public sector as well as ethical standards within SAICA. She further indicated that they monitor the current challenges that are experienced within the public sector in all the three spheres of government (National, Provincial and Local government).

She stated that SAICA is a membership body for Chartered Accountants (CAs) and further highlighted that they have the following additional objectives:

- To act in the public interest and to safeguard the values of the profession,*
- To promote the common interests of members and associates nationally and internationally,*

- *To support and encourage the advancement of skills and knowledge and ensure members have the appropriate competencies,*
- *To contribute to economic and social advancement of the Republic,*
- *To grow and transform the profession.*

She mentioned that they are trying to make a difference in financial reporting specifically in public finance management in South Africa and to look at service delivery and how it impacts the citizens of South Africa.

She reflected on the audit outcome of the city and noted that the municipality and many of the municipal entities received unqualified audits opinions for the last four or five years. She stated that the audit opinions remained consistent, however emphasised that an unqualified audit opinion does not necessarily mean that the organisation is performing well. She stated that there were still challenges in the municipal entities which could cause problems in the future and result in the City having a qualified audit.

She referred to the material findings on compliance and stated that it remained the same, which indicated no improvement in dealing with of some of these material findings. She further raised a concern with the irregular, fruitless and wasteful expenditure, and unauthorised expenditure and mentioned that it remains a problem in the city.

She noted that in the annual report of the city, there was target for clean audit and stated that although achieving a clean audit is important, the city should be focusing more on achieving service delivery targets. She further stated that a clean audit opinion should not be the end goal or the main objective because even if the city can achieve a clean audit, it means nothing to the residents of the city if they are not being provided with the much needed service delivery. She indicated that the city should aim to achieve both as they are equally important.

She highlighted that the municipality had achieved an unqualified audit opinion which means the financial statements were fairly and appropriately presented, however in terms of the performance information the Auditor General did not provide an audit opinion. She mentioned that the audit opinion of the city might change after the Auditor General's audit on performance information. She further mentioned that the achievements reported in the annual performance report materially differed from the supporting evidence for indicators listed below:

- *Number of indigent household benefitting from ESP – 137 125*
- *Number of new households provided access to basic water at minimum LoS1 in informal settlements – 6413*

She stated that the AG's findings on performance information simply meant that they could not confirm what was reported in the annual report based on the evidence provided. She further mentioned that another AG's finding was the number of service sites developed as the measures taken to improve performance against a target of 800 were not reported in the annual performance report. She indicated that this was supposed to be reported and was not included performance report

She stated that although the financial reporting was noted, there were key deficiencies on the performance reporting and needed to be improved. She further highlighted that not everything in the performance report was audited by the Auditor General. She mentioned that only one programme was selected and from that one programme, they identified material deficiencies in the reporting, hence if the audit was extended further to the entire report of the performance information, there could be many other errors in the report.

She highlighted that another Auditor General's finding was the reporting and monitoring within the municipality from a performance information perspective and service delivery perspective. She mentioned that the Auditor General found that the municipality did not implement the new rationalised set of indicators as per Municipal Finance Management Act (MFMA) Circular 88 of 2019.

She highlighted that MFMA Circular 88 issued on 30 November 2017 with further refinements communicated by National Treasury on 20 November 2019 informs the rationalisation of planning and reporting requirements for the 2018-19 MTREF onwards and aims to support the alignment of planning and reporting instruments for a prescribed set of performance indicators for metropolitan municipalities. She mentioned that the City of Johannesburg did not include various common set of indicators in the IDP and top layer of SDBIP for the 2020-21 planning and reporting cycle due to concerns raised on alignment of these indicators to the groups environments and to entrench the indicators in the groups standard monitoring.

She raised a concern that the reporting from the municipal entities were different and there was no consistency. She recommended that all the municipal entities should be reporting in a similar format on performance information for them to be easily consolidated and properly managed to ensure consistency in reporting and accountability between the entities.

She highlighted Section 56 of the MFMA which reads as follows:

- “(1) The mayor of a municipality which has sole or shared control over a municipal entity, must **guide the municipality** in exercising its rights and powers over the municipal entity in a way-*
 - (a) that would reasonably ensure that the municipal entity complies with this Act and at all times remain accountable to the municipality; and*
 - (b) that would not impede the entity from performing its operational responsibilities.*
- (2) In guiding the municipality in the exercise of its rights and powers over municipal entity in accordance with subsection (1). the mayor may monitor the operational functions of the entity but may not interfere in the performance of those functions.”*

She further highlighted on the action plan that was developed by the city to resolve the findings from the Auditor General on performance information. She mentioned that the problem was not based on a single Key Performance Indicator (KPI) as the problem was based across the entire performance information report. She stated that the Auditor General only selected a single programme and if the City decides to address only one

issue that was selected by Auditor General, it will reoccur in future findings. She stated that the city should implement controls on performance information within the city to improve and strengthen reporting on performance information. She recommended that it should be included in the City's action plan.

She reflected on repairs and maintenance of the city and stated that repairs and maintenance is very important in local government as it is linked to economic development within the city. She mentioned that the risk of not performing maintenance on infrastructure or delaying it, results in breakdowns of key structures. She emphasised the importance of repairs and maintenance as it can impact the city going forward if it is not done properly. She asserted that lack of maintenance on key infrastructure could affect service delivery and would cost the municipality much more if maintenance is not conducted on a continuous basis.

Committee members were given an opportunity to comment and pose clarity seeking questions.

The Committee sought clarity and enquired about the reporting lines within the city. It further enquired about the ESP.

In response, Ms Soopal indicated that when she went through the report, she looked at it from the responsibility of the city and what the city should be doing to ensure that there is consistency in reporting. She further indicated that she had interacted with the City of Johannesburg previously on integrated reporting and how it should be done. She mentioned that guidance was provided, and it was decided that a standard reporting template would be submitted to the municipal entities to ensure consistency across municipal entities after consolidation. However, that is not the case currently. In response to ESP, it was indicated to the Committee that there should be standard operating process that should be documented, and policies approved on how they would report on certain things. She recommended that the city should make a written submission to National Treasury to provide guidance.

The Chairperson commended Ms N Soopal on behalf of the Municipal Public Accounts Committee for the comments from the South African Institute of Chartered Accountants (SAICA). She assured her that the inputs and recommendations would be incorporated in the consolidated oversight report on the City's 2020/21 Annual Report.

In addition, The Acting City Manager, Mr Floyd Brink indicated that the city was working closely with SAICA and specifically through the Auditor General. He further mentioned that there are trainings in Group Governance where the City's Chartered Accountants (CAs) are trained. He mentioned that the city would continue to work with them through their offices and through the Auditor General.

4 ANNOUNCEMENTS

The Chairperson announced that the next Committee meeting would be held on Tuesday 12 April 2022.

5 CLOSURE

The Chairperson thanked members and the external stakeholders for their attendance.

THE MEETING ADJOURNED AT 11:30.

.....
CHAIRPERSON

.....
DATE

Annexure E. 10

6th Extra-Ordinary Meeting held on 13 April 2022

MINUTES OF THE 6TH EXTRAORDINARY MEETING OF THE MUNICIPAL PUBLIC
ACCOUNTS COMMITTEE HELD AT THE CONSTANCE CONNIE BAPELA COUNCIL
CHAMBER, ON WEDNESDAY, 13 APRIL 2022, AT 09:00.

PRESENT

COUNCILLORS

Nontenja, C T (UDM) (Chairperson)
Brand, D G (DA)
Buthelezi, T C (ANC)
Chabalala, M D (DA)
Davids-Green, LA (ActionSA)
Dlanjwa, M (EFF)
Mchunu, A (ActionSA)
Mmbengwa, M N (ANC)
Modukanene, L C (ActionSA)
Ndlela, M (ANC)
Nethamba, R (EFF)
Reinten, I M (DA)
Shackleford, L M (DA)

ALTERNATES

Gantsho, I (ActionSA)
Mnyameni, M (ANC)
Reddy, K (UIM)

OFFICIALS

T Tseki, Legal Advisor
L Naick, Acting Deputy Director : Committees
T vMabogo, Committee Researcher
T vSamuel, Acting Committee Coordinator
L Mbuli, Researcher Assistant
N Mahanjwa, GRAS
K Semenya, Director : OCM
F Brink, Acting City Manager
M Phooko, Specialist : GCSS
M Dube, Director : MSS
A Kwababa, Group Head : GHCM
H Labuschagni, Acting GED : GCSS
T Mmbara, Director : M & E
M E Ramatho, Manager : City Power
S Hancock, DD : TSS
N Jones, Director : Field and TSS
R Mutheiswa, GRAS
S Nxumalo, GRS
L Matola, CFO : Pikitup

1 WELCOME

The Chairperson welcomed all present to the meeting.

2 LEAVE OF ABSENCE

1 *Applications for leave of absence was received from:*

<i>Councillor K Reddy</i>	<i>- Tendered an apology and will join the meeting later</i>
<i>Councillor S Phakathi</i>	<i>- Tendered an apology and will join the meeting later</i>
<i>Councillor D G Brand</i>	<i>- Tendered an apology and will join the meeting later</i>
<i>Councillor K J Mosehla</i>	<i>- Tendered an apology of non-attendance due to ill health</i>
<i>Councillor M Dlanjwa</i>	<i>- Request for the EFF caucus to leave the meeting at 11:00 due to private business</i>

2 *Apologies were tendered for the following officials:*

<i>S Sibiya</i>	<i>- Tendered an apology of non-attendance due to him meeting with his attorneys regarding his delegations.</i>
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RESOLVED

- 1 That leave of absence be granted to Councillor K Reddy, Councillor S Phakathi, Councillor D G Brand, Councillor K J Mosehla and Councillor M Dlanjwa.
- 2 That apologies of S Sibiya be noted.

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3 REPORTS

Item 29 QUESTION 29: SUSPENSIONS AND
DISCIPLINARY CASES WITHIN
MUNICIPAL ENTITIES

The Committee raised the following concerns, comments and questions:

- *The period of time it takes for a disciplinary process to be finalized.*
- *The number of employees that were suspended in comparison to number of employees that faced disciplinary action do not correspond*
- *Does the City have any plan to address this issue of employees being suspended with salaries, due to the suspension continuing for many years pending the finalisation of the process?*
- *The large number of suspensions in JRA is a concern.*

The official/s advised that:

- *A disciplinary process takes a period of 3 months to finalize however some disciplinary processes may be complex in nature and may delay finalisation.*
- *The reason for the difference in employees suspended and employees facing disciplinary process is due to some employees being absolved from any wrong doing and as a result would not be suspended.*
- *There is a continued discussions with group corporate and shared services to determine if employees under suspension may continue to work in different departments as opposed to staying home.*

The Committee highlighted the following:

- *The employees that may be working in other departments whilst on suspension may result in further challenges for the city especially in cases where they are suspended for alleged corruption or maladministration.*
- *That the committee be furnished with a report on the suspensions and disciplinary's in JRA*

RESOLVED

That the committee be furnished with a report on the suspensions and disciplinary's in JRA

(GROUP CORPORATE AND SHARED SERVICES)
(Mathews Lengwasa)
(Tel. (011) 407 6810)

Item 30 QUESTION 30: GROUP CORPORATE AND SHARED SERVICES (GCSS) IS RESPONSIBLE FOR A MATERIAL PORTION OF UIFW EXPENDITURE IN THE CORE, NOTABLY THROUGH ITS FLEET MANAGEMENT SERVICES CONTRACTS WHICH CONTRIBUTES TO IRREGULAR EXPENDITURE OF R336 MILLION IN THE CURRENT FINANCIAL YEAR.

The Committee raised the following concerns, comments and questions:

- *The report states that three officials resigned during the investigations.*
- *When the request for fleet bid processes was made and what is the status of this process?*
- *Did the department abandon the investigations because employees resigned?*
- *For two officials who are on suspension what is status quo of the investigations?*
- *Is the city able to withhold the pensions of the employees who were found guilty?*

The official/s advised that:

- *The official has no update regarding the fleet bid process*

The Committee highlighted the following:

- *The recovery of these funds are a concern.*

RESOLVED

- 1 That the committee noted the report with reservations.
- 2 That the department is to provide a report on all the investigation to the committee in an in-committee.

(GROUP CORPORATE AND SHARED SERVICES)
(Mporo Phooko and Wendy Sibisi)
(Tel. (011) 407-6118)

Item 31 REPORT TO MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) ON QUESTION 31 RAISED ON THE 2020/21 ANNUAL

The Committee raised the following concerns, comments and questions:

- *The report indicated that only 46% of the Core departments and the entities complied 100% with the declaration of the interest.*
- *Is it compulsory for the councillors and employees to declare their interest as per City`s code of conduct? If so, what are the consequences for non-compliance on the officials and councillors.*

The official/s advised that:

- *The city requires declarations to be made annually.*
- *The internal controls systems are manual which presents shortcomings and risks*
- *The department has engaged GICT with a plan to automate the systems and a report can be provided to the committee in 2 to 3 months as the process is still underway.*
- *Consequences on non-compliance and misconduct is linked to the employee code of conduct which is managed directly by line managers.*
- *This process in relation to code of conduct extends to officials on and not to councillors, Councillors conduct is managed by the office of the Integrity Commissioner who reports to the Office of the Speaker.*

NOTED

(GROUP RISK AND ASSURANCE SERVICES)
(Sinaye Nxumalo)
(Tel. (011) 049-7501)

Item 32 QUESTION 32: CONSULTANTS APPOINTED
TO TASKS DUE TO VACANT POSTS

NOTED

(GROUP CORPORATE AND SHARED SERVICES)
(John Caswell)
(Tel: 011 407 6628)

Item 33 QUESTION 33: CIRCULAR NO 88 PROVIDES GUIDANCE AND ASSISTANCE TO METROPOLITAN MUNICIPALITIES ON THE PREPARATION OF STATUTORY PLANNING AND REPORTING DOCUMENTS REQUIRED FOR THE 2018/19 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF). IT FURTHER STATES THAT ALL TIER 1 AND TIER 2 INDICATORS HAVE BEEN IDENTIFIED FOR INTRODUCTION BY METROPOLITAN MUNICIPALITIES IN THE 2018/19 PLANNING AND REPORTING CYCLE."

The Committee raised the following concerns, comments and questions:

- *The report states that City is complying with the circular 88, but the AGSA raised the non-compliance with the circular 88. Are we anticipating a repeat finding on circular 88 in the 2021/22 Audit report?*

The official/s advised that:

- *The city is constantly engaging national treasury and requested them to provide a report in relation to the assessment of circular 88 which will be provided to the AGSA when they commence with their audit for the 2021/22 financial year.*
- *This report will be based on the city being in the planning process with other metropolitan municipalities which relates to the city's planning document relating to circular 88 which needs to be presented to Maycom for adoption to implement the KPI's in relation to the circular.*

The Committee highlighted the following:

- *The Sustainable development Goals (SDGs) needs to be filtered through to the municipal level.*

RESOLVED

That the department to provide the committee with a dashboard of the KPIs in relation to Circular 88.

(OFFICE OF THE CITY MANAGER)
(ACTING DEPUTY DIRECTOR)
(M. NGOBENI)
(Cell: 081 742 0987)

Item 34 QUESTION 34: MONITORING AND EVALUATION UNIT CAPACITY

The Committee raised the following concerns, comments and questions:

- *The report states that the unit is not adequately capacitated, and budget is not enough.*
- *Which functions or duties are compromised due to budget constraints?*
- *Are there any efforts taking place to capacitate the unit, as the report states that some staff were transferred to the COO's office?*
- *Has the senior staff members obtained their security clearances?*

The official/s advised that:

- *The moratorium has presented a challenge for the department to recruit and capacitate the department.*
- *The department has written to the City Manager and the MMC: GCSS to obtain permission to finalise the recruitment process.*

- *The Assistant Director and Deputy Directors positions did not require a security clearance.*

NOTED

(OFFICE OF THE CITY MANAGER)
(T. Mmbara)

Item 35 QUESTION 35: THERE WAS AN OVERALL REGRESSION ACROSS THE CITY ON THE RELIABILITY AND USEFULNESS OF THE REPORTED PERFORMANCE INFORMATION FROM 58% TO 8% IN 2020/21 F/Y WERE THE AUDIT FILES PREPARED BEFORE THE AUDIT, WITH THE REQUIRED SUPPORTING DOCUMENTATION FOR REPORTED PERFORMANCE INDICATORS?

The Committee raised the following concerns, comments and questions:

- *Majority of the findings raised by the AGSA on the performance information, relates to supporting evidence that differs from reported performance, and in some instances the criteria used to measure reported performance is not clearly defined.*
- *What role does Monitoring & Evaluation unit play in assisting the departments to improve methods used to measure reported information?*
- *Do you think the root cause of findings on AOPO is the technical issue or weak internal controls in the environment?*
- *Are these challenges due to IRIS?*

The official/s advised that:

- *The weak internal controls are due to the absence of performance information which becomes a challenge*
- *This does not relate to IRIS*
- *The acting City Manager has requested GICT to assist the department in implementing a system to measure and track performance and a records system.*

NOTED

(OFFICE OF THE CITY MANAGER)
(T. Mmbara)

Item 36 RESPONSE TO QUESTIONS 36 RAISED BY
THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
(MPAC)

The Committee raised the following concerns, comments and questions:

- *Group Legal seem to be applying a reactive approach as it relies on the client departments to consult with them.*
- *Why don't Group Legal and Contracts host awareness roadshows and workshops to ensure that City's employees and other stakeholders are aware of issues that are common?*
- *How many educational communications / workshops did the Group Legal conduct during the financial year?*

The official/s advised that:

- *Each legal advisor must communicate with their departments on an ongoing basis as it is part of the legal advisors KPIs.*
- *Presentations must be made by the legal advisors as a part of an awareness campaign and information sessions should be held with their respective departments.*
- *Articles will be placed onto the Jozinet as part of an information initiative.*

NOTED

(GROUP LEGAL AND CONTRACTS)
(N das Neves)
(Tel. (011) 407-6093)

Item 37 RESPONSE TO QUESTIONS 37 RAISED
BY THE MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE (MPAC)

The Committee raised the following concerns, comments and questions:

- *The report states that the Municipal Courts Unit has not received adequate funding and resourcing, since its migration from JMPD to Group Legal and Contracts.*
- *Does the department think that the functioning of municipal courts will assist in dealing with the finalization of some legal matters backlog in the City?*
- *Which specific cases are within the scope of municipal courts?*
- *It was further stated that when the decision to centralise all legal payments through Group Legal and Contracts for reporting purposes, budgets were not transferred, and no framework had been provided for such centralisation of payments. What are the City Managers plans to ensure that the group legal have enough budget to fulfil its mandate?*

The official/s advised that:

- *The functions of the municipal courts relate to infringements of planning issues, Health, JMPD, and compliance with the city's by-laws; and not matters of a litigious nature.*
- *As part of the litigation strategy and framework there is a process and standard operating procedures that the department uses.*
- *The department is not adequately capacitated and requires funding.*
- *The city has finalized the adjustment budget which now allows the issue of capacity to be considered.*

NOTED

(GROUP LEGAL AND CONTRACTS)

(N das Neves)

(Tel. (011) 407-6093)

Item 38 RESPONSE TO QUESTIONS 38 RAISED BY
THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
(MPAC)

The Committee raised the following concerns, comments and questions:

- *It is clear that the departments are not doing what they supposed to do because for the past 5 years, material findings on contract management were raised by AGSA. What role can the Group Legal play to ensure the compliance by the user departments.*
- *Considering the efforts made by the departments, will this be a repeat finding?*

The official/s advised that:

- *Legal is represented in the EAC and CAC.*
- *Contract registers are being done on an excel spreadsheet.*
- *The department has drafted a template/MOU that the user departments use with appointed service providers. This has the standard terms and conditions, disclaimers etc.*

NOTED

(GROUP LEGAL AND CONTRACTS)

(N das Neves)

(Tel. (011) 407-6093)

Item 39 QUESTION 39: EMPLOYEE RELATED
COST SENIOR MANAGERS

The Committee raised the following concerns, comments and questions:

- *The amount provided as allowance in the report for is different from the amount of allowance disclosed in the note 35 of the Annual Financial Statement. Can the department confirm how much did they disclose as allowance amounts for the positions in question, during 2020 and 2021 financial years?*

The official/s advised that:

- *Allowances are provided to the incumbents; it is not additional allowances it relates to the way the incumbents have chosen to structure their packages.*

NOTED

(GROUP CORPORATE AND SHARED SERVICES)
(Elsabet Vorster)
(Tel: 011 407 6711)

Item 40 ESTABLISHMENT OF THE DISCIPLINARY BOARD
REGARDING AND ITS CAPACITATION TO INVESTIGATE
ALLEGATIONS OF FINANCIAL MISCONDUCT CONSIDERING
THE HIGH INCIDENCE OF UNAUTHORISED IRREGULAR
FRUITLESS & WASTEFUL EXPENDITURE (UIFWe)

The Committee raised the following concerns, comments and questions:

- *City manager needs to provide a clear direction and commitment on the status progress of the implementation, before we can discuss other technicalities around the DB.*
- *Can the committee be provided with a report clearly stating what is delaying the implementation and functioning of the DB as this is the legislative requirement.*
- *The AGSA state the implementation of the DB as one of the good initiatives taken by the city.*
- *Which Section 79 does the disciplinary board report to?*
- *Why is there interference from the Executive Mayor regarding the funding of the board?*

The official/s advised that:

- *There's been a submission for budget for the disciplinary board, however there is no outcome as of yet due to the city still being in the business planning and budget planning processes. The department expects a response by the end of the financial year.*

- *Standard operating procedures will provide employees with the guidance in the utilisation and access of the board.*
- *External investigators as per the panel of investigators are appointed to perform investigations to ensure an independent and fair process.*
- *The Chairperson is a member of the city's audit committee and is not an employee of the city.*
- *Recommendations that are made by the disciplinary board need to be implemented by the City Manager, Executive Mayor or Council. If this is not done, provincial treasury and national treasury are then permitted, in terms of the regulations, to intervene and conduct the investigations themselves.*
- *All recommendations that are made by the disciplinary must go to Council for consideration in terms of the reporting protocols.*
- *The disciplinary board is required to report to MPAC in terms of the terms of reference and to address the issues of recoverability.*
- *The funds had been relocated by the Executive Mayor which possess a challenge for the funding of the board.*
- *Additional funding may be acquired through the medium-term budget adjustments.*
- *The Executive Mayor has cited that in terms of the functions there is a duplication of duties with regards to the board and GFIS which has resulted in delays in the establishment of the disciplinary board.*
- *The legal advisor in the Mayor's office is reviewing the terms of reference and the membership.*

The Committee highlighted the following:

- *There is a council resolution that establishes the board and appointing members and this needs to be concluded.*
- *GFIS is not a regulated body, the board is legislated and regulated and this needs to be corrected.*

RESOLVED TO RECOMMEND

The committee be furnished with a report identifying the challenges associated with the establishment of the disciplinary board. The report to indicate details regarding the council resolutions and all details pertaining to the establishment of the disciplinary board. The report to indicate details as per the resolution of council and associated timeframes which must include the legislation in support of the board.

(OFFICE OF THE CITY MANAGER)

Item 41 QUESTION 41: FAILURE TO CORRECTLY
DEDUCT AND WITHHOLD EMPLOYEES'
TAX ON GRATUITY PAYMENTS

The Committee raised the following concerns, comments and questions:

- *AGSA was informed that the recovery from employees who are in the service of the City will be concluded by January 2022 and April 2022 for former employees. The report states that deductions could not be instituted before all the employees are satisfactorily engaged. What is the status of these engagements with the employees?*
- *The investigation report recommends that interest must be recovered. Why did the report submitted state that interest will not be recovered?*
- *Is the City Manager confident that AGSA will not issue a certificate of debt in this matter?*
- *Does the act restrict the employer from recovering the interest and penalties from the employer?*
- *The city did not have the tax specialist however why did the city not appoint a consultant?*

The official/s advised that:

- *The process of recovery has begun, and the exercise indicates that there is approximately 900 former employees that recoveries needs to be done from.*
- *Letters have been issued to employees in transactional services where they are required to indicate why consequence management or disciplinary action should not be taken against them with regards to the alleged misconduct.*
- *The interest of the capital amount of R9.1 million, in terms of interest, it becomes a personal liability to the employer. The city is attempting to recover the capital amount which excludes the interest amounts and penalties which amounts to approx. R6.3 million.*
- *The city is able to hold the officials accountable whom were active at the time only however it must be confirmed with legal. There is a prescription act on the matter that may make it a challenge for the city to recover however letters and cost benefits analysis have been done to determine the monies owed by employees. This reporting is done with the City Manager's office and the AGSA.*

The Committee highlighted the following:

- *GRAS is operating within all departments which poses a challenge especially with regards to accountability and as a result consequence management.*
- *A recommendation was made to council that the internal audit be removed from GRAS. The disciplinary board is also in GRAS and this poses concerns in relation to independence and fairness.*

RESOLVED

- 1 That a report outlining the duties and roles of GRAS be provided to the committee.
- 2 That a progress report outlining the cost benefit analysis and the number of employees that the city is able to recover from in comparison to employees deceased and untraceable etc needs to be submitted to the committee.

(GROUP CORPORATE AND SHARED SERVICES)

(Ntutu Leonard Manoto)

(Tel: 011 407 6991)

- Item 42 REPORT ON WHETHER CONSEQUENCE MANAGEMENT WAS IMPLEMENTED WHERE MATERIAL FINDINGS WERE RAISED BY THE AGSA RELATING TO EXPENDITURE MANAGEMENT AND LEGISLATIVE COMPLIANCE

The Committee raised the following concerns, comments and questions:

- *The report stated that controls have been in place when these findings were raised how did the lack of operationalization of the Disciplinary Board affect this?*

The official/s advised that:

- *The controls in place are in relation to disciplinary action taken*

RESOLVED

That the committee be furnished with a report detailing the disciplinary's and consequence management by May 2022. The report needs to outline the findings of the AGSA for the past 3 years.

(OFFICE OF THE CITY MANAGER)

- Item 43 QUESTION 43: THE AUDIT OUTCOME OF AUDIT OF PREDETERMINED OBJECTIVES (AOPO) FOR CORE ALSO REGRESSED FROM UNQUALIFIED IN 2020 TO QUALIFIED IN THE CURRENT YEAR.

The Committee raised the following concerns, comments and questions:

The HSD (Health & Social Development Department) confirmed that if the AGSA can sample ESP for audit which will surely raise the same findings. Can the city benchmark with other metropolitan municipalities who are receiving clean audits? Such as the city of Ekurhuleni.

NOTED

(OFFICE OF THE CITY MANAGER)

- Item 44 REPORT ON WHAT PLANS THE ACCOUNTING OFFICER HAS PUT IN PLACE TO ENSURE THAT THE INTERNAL CONTROLS WITHIN THE CITY ARE IMPROVED TO ENCOURAGE IN-YEAR DETECTION OF NON-COMPLIANCE WITH LAWS AND REGULATIONS AND UIFW EXPENDITURE

The Committee raised the following concerns, comments and questions:

- *The report states the UIFW reduction strategy was developed in April 2021. Was the UIFW strategy submitted and approved by the National Treasury?*
- *Can the committee be furnished with the UIFW strategy that was submitted to treasury?*

The official/s advised that:

- *GRAS reports to MMC GCSS who has indicated that she will monitor issues of non-compliance.*
- *The strategy was presented to MPAC and the audit committees in 2021.*
- *National treasury notified the city of its intention to decrease the grant funding based on the increased UIFWs in terms of Section 216 of the Constitution. However national treasury has now released the funding as a result of the departments submissions in relation to the UIFWs*
- *The department requires the establishment of the MPAC sub-committee to process the UIFWs*
- *The report together with the UIFWs were submitted to Council but there was no council resolution as part of the report did not go through MPAC and as a result the department will need to submit to MPAC and depending on the outcome it will be sent to council.*
- *National treasury will require a council resolution approving the strategy so it would need to go to council first.*

RESOLVED

- 1 That the committee to be provided with a revised detailed report outlining the current UIFW reduction strategy including preventative controls that will be submitted to national strategy by May 2022.
- 2 That the committee will communicate the details of a special meeting to consider the UIFW submissions.

(OFFICE OF THE CITY MANAGER)

Item 45 QUESTION 45: THE CITY OVERALL PERFORMANCE IN THE APR IS 66% AGAINST THE SET TARGETS, WHILE 89 PROTESTS WERE NOTED IN 2020/21 F/Y

The Committee raised the following concerns, comments and questions:

- *Are the protests due to projects that is taking the city too long to complete?*

The official/s advised that:

- *The protests are a result of unanticipated consequences however can be reduce with the strengthening of intelligence and proactive planning which will assist in mitigating protests.*

RESOLVED

- 1 That the committee noted the report with reservations
- 2 That the committee requires a report indicating the projects in line with the set targets and what was achieved.

(OFFICE OF THE CITY MANAGER)
(T. Mmbara)

Item 46 RESPONSE ON THE INEFFECTIVENESS OF THE REMEDIAL ACTION PLAN AS THE AUDIT OUTCOMES HAVE DETERIORATED OVER THE THREE PREVIOUS FINANCIAL YEARS

The Committee raised the following concerns, comments and questions:

- *OPCA has been mentioned for a few financial years, however it is not producing improved results. What is the progress regarding the efficiencies of OPCA?*
- *The Remedial plan was rejected, and a revised plan needs to be provided to ensure that we avoid repeat findings*
- *What is the role of Internal audit in the city and is the department capacitated?*

The official/s advised that:

- *The department has implemented a number of initiatives, one of them is to request management to implement processes. OPCA does not perform the duties of management, it is a monitoring department to ensure that management is implementing processes and delivering on agreed outcomes.*
- *OPCA also requested a review of the management action plan because the plan did not address some findings of the AGSA sufficiently. A control self-assessment, a route cause analysis and UIFW reduction strategy needs to be performed to ensure that we avoid repeat findings.*

- *The internal audit is partially independent as they report to the audit committee and has a dotted line to the city manager. The department has funded vacant positions however the moratorium has impacted the recruitment process of the senior positions.*

The Committee highlighted the following:

- *The report indicated that the OPCA have a new strategy which indicates that focus is not solely on addressing a specific incident(s) raised that resulted in an audit finding, but management should focus on assessing associated risks of such incidents recurring and internal control improvements.*
- *The revised remedial action and the management action plan needs to be provided to the committee.*

RESOLVED

- 1 That the revised remedial action and the management action plan needs to be provided to the committee.
- 2 That the OPCA resolutions needs to be provided to MPAC and a comparison report indicating the progress made by OPCA from the previous financial year to now.
- 3 That the committee must be furnished with the strategies in relation to the probity strategy, control self-assessment strategy, a root cause analysis and UIFW reduction strategy to ensure that we avoid repeat findings.

(OFFICE OF THE CITY MANAGER)

Item 47 RESPONSE ON THE VACANCY RATE IN INTERNAL AUDIT DIVISION, AVAILABILITY OF ENOUGH COMPETENT, EXPERIENCED AND INDEPENDENT STAFF TO CONDUCT EVALUATIONS OF INTERNAL CONTROLS

The Committee raised the following concerns, comments and questions:

- *The department has funded vacant positions however the moratorium has impacted the recruitment process of the senior positions.*

The official/s advised that:

- *The department is currently in the process of recruiting and capacitation of the department that's not affected by the moratorium however after they receive the approval from the MMC GCSS regarding the moratorium they will begin the process of recruiting senior officials.*

The Committee highlighted the following:

- *The report states that the filling of positions is affected by the moratorium and there is no clear indication on when this moratorium will be lifted.*

RESOLVED

That a report be provided to the committee on the legality of the moratorium and the timeframes on when it will be lifted as it is affecting the sustainability of the city due to a large number of employees acting.

(OFFICE OF THE CITY MANAGER)

Item 48 RESPONSE TO MPAC QUESTION NO 48 TO
THE ACCOUNTING OFFICER FOR THE 2020/21
ANNUAL REPORT

The Committee raised the following concerns, comments and questions:

- *On Page 6, Table 1, on the cases reported for investigation per crime category over the three years, the number of illegal connections cases reported dropped drastically from 300 in 2019/20 to 0 in 2020/21 and 1 in the current year. What is causing this decline and is the number of illegal connections in the City going down?*
- *How many of the cases identified have been transferred to SAPS for conviction?*

The official/s advised that:

- *The department is guided by the following legislation, the whistleblowing policy, the national anti-corruption strategy as approved in 2020, the approved terms of reference in terms of the investigative work of GFIS, property by-laws, MOU with the State Security Agency (SSA) and the UIFW strategy within the city,*

The Committee highlighted the following:

- *GFIS should not be functioning outside their terms of reference and as a result the functions of convictions of criminal activities is not a mandate of GFIS. The only legislated bodies permitted to convict is SAPS and NPA and as a result the city needs to align their processes whilst ensuring that we are operating within the ambits of the law.*

RESOLVED

1 That the committee note the report with reservations.

- 2 That the Committee be provided with a detailed report in May 2022 that indicates the categories of the cases that GFIS is investigating, that includes the number of cases and details of the cases as well as the status of the cases that has been referred to SAPS and NPA and other law enforcement agencies.

(OFFICE OF THE CITY MANAGER)
(Lizzie Ramogale)
(Cell. 081 414 2908)

Item 49 RESPONSE TO MPAC QUESTION NO 49 TO
THE ACCOUNTING OFFICER FOR THE 2020/21
ANNUAL REPORT

The Committee raised the following concerns, comments and questions:

- The department requested an opportunity to resubmit a report to address the 263 cases.

The official/s advised that:

- *The committee requires senior officials and General Sibiya to be in attendance to respond to the committee questions to attend the meetings as it is a challenge to address matters when the official is not able to respond to questions with detail.*

RESOLVED

- 1 That the committee to be furnished with a report listing all of the cases that were investigated in the current F/Y.
- 2 That the report must include the progress of the investigations and the outcome for completed investigations and an indication of the timeframes i.e investigations that are more than six months and those that are still ongoing?
- 3 That the report must also indicate the irregularity incurred in the prior financial years which were not investigated and reasons thereof.

(OFFICE OF THE CITY MANAGER)
(Lizzie Ramogale)
(Cell. 081 414 2908)

Item 50 RESPONSE TO THE MPAC
QUESTION NUMBER 50

The Committee raised the following concerns, comments and questions:

- *The entity seemed to be disagreeing with the findings of the AGSA. Did management reach consensus with AGSA regarding this finding which lead to qualification?*

The official/s advised that:

- *The department has started an SCM process to acquire a service provider with auditing experience and technical experience to provide the city with in useful life assessment.*

NOTED

(METROPOLITAN TRADING COMPANY)
(Rajen Chetty)

Item 51 RESPONSE TO MPAC QUESTION 51: NOTE 3
OF AFS: PROPERTY, PLANT AND EQUIPMENT

The Committee raised the following concerns, comments and questions:

- *The report states that the entity is intending to sell major assets of their operation because the assets are deteriorating as a result of poor maintenance. Is this sale going to affect the operational requirement of the entity?*
- *Is it not possible to combine the scope of MTC with GICT?*

The official/s advised that:

- *The enhanced business model is the selling of the Joburg broadband network. The asset will be sold to a service provider who provides network services to the city and its residents. The service provider will provide the network services to the city and manage the maintenance of the network thus reducing the responsibility as associated financial burden on the city.*
- *This process was approved by council however council did resolve that there should be oversight by the OCM on this process.*
- *It will not be possible to combine the roles of MTC and GICT due to the difference in their functions*

NOTED

(METROPOLITAN TRADING COMPANY)
(Rajen Chetty)

Item 52 RESPONSE TO MPAC QUESTION 52

The Committee raised the following concerns, comments and questions:

- *The report states that the employee who was appointed irregularly as per AGSA report eventual resigned. What was the details of the irregular appointment? Are the officials who were responsible for appointment process subjected to Disciplinary process?*

The official/s advised that:

- *The matter has been referred to GFIS for investigation, however the department has not received the report from GFIS yet. The department can report to MPAC once they receive the report from GFIS.*

RESOLVED

That the report detailing the progress made by GFIS regarding the investigation be provided to MPAC.

(METROPOLITAN TRADING COMPANY)
(Rajen Chetty)

Item 53 RESPONSE TO MPAC QUESTION 53

The Committee highlighted the following:

- *The efficiency of the department is a concern.*

RESOLVED

- 1 That a recommendation to council must be made regarding the legality of the moratorium and if the correct processes were followed in relation to approvals by council, as it is impacting the efficiencies of several departments and entities. Council must consider the impact of this moratorium.

(METROPOLITAN TRADING COMPANY)
(Celani Mathenjwa)

Item 54 RESPONSE TO QUESTION 54: NOTE 4 OF AFS

The Committee highlighted the following:

- *The loan has been impaired by the City.*

NOTED

(METROPOLITAN TRADING COMPANY)
(Rajen Chetty)

Item 55 RESPONSE TO THE MPAC QUESTION NUMBER 55

The Committee raised the following concerns, comments and questions:

- *The report states that the entity used regulation 36 for the advertisement of the two executive positions. Why was the regulation used for advertisement of executive position, was this part of what AGSA identified as irregular appointments?*

The official/s advised that:

- *The asset of the broadband network has certain hosting and data centres in and around the city which are hosted by other service providers. When the asset was transferred to MTC, the contracts attached to it were also transferred to ensure that the network remains operational.*
- *There are currently 10 regulation 36 contracts at MTC. Seven (8) of the contracts directly relates to the core services of MTC and two (2) relates to the advertisement of Executives positions.*

NOTED

(METROPOLITAN TRADING COMPANY)
(Siviwe Mafanya)

Item 56 RESPONSE TO MPAC QUESTION 56:
NOTE 43: DIRECTORS EMOLUMENTS

The Committee raised the following concerns, comments and questions:

- *The board of the entity had 13 remunerated board meeting during the financial year. Are the special board meetings remunerated and approved by the accounting officer/ is it based on the discretion of chairperson?*

The official/s advised that:

- *Group Governance wrote to the city manager which provided an explanation relating to the request for special board meetings which was approved by the Accounting officer of MTC*

NOTED

(METROPOLITAN TRADING COMPANY)
(Shantha Balakrishna)

Item 57 RESPONSE TO THE MPAC QUESTION NUMBER 57

The Committee raised the following concerns, comments and questions:

- *The report does not address initiatives or strategies taken by the accounting officer of MTC in ensuring the UIFW is reduced at the entity level.*

RESOLVED

That a report be provided to MPAC in May 2022 indicating the strategies and initiatives that MTC will implement to reduce UIFWs.

(METROPOLITAN TRADING COMPANY)
(Rajen Chetty)

Item 58 QUESTION NO. 58: NOTE 28, GENERAL EXPENDITURE –
DISPOSAL FEES REPORT ON THE DECREASE IN DISPOSAL
COSTS AT EXTERNAL LANDFILL SITES FOR PIKITUP

The official/s advised that:

- *The city makes use of privately owned landfill sites at the northern sites as the city does not own disposal sites in that area.*

The Committee highlighted the following:

- *The report states that the City was using their own disposal sites, not the contractors.*

NOTED

(PIKITUP JOHANNESBURG (SOC) LTD)
(Litshani Matsila)
(Tel +27 87 357 1066)

Item 59 QUESTION NO. 59: EXPENDITURES FLAGGED AS
IRREGULAR INCLUDE LANDFILL OPERATIONS,
IT SERVICES, SECURITY CONTRACT, EMPLOYEE
COST, RENTAL COST AND SANITIZING AND DEEP
CLEANING SERVICES

The Committee raised the following concerns, comments and questions:

- *Irregular expenditure incurred for security services was due to services rendered by the service provider before the actual procurement is concluded. How did the service provider render the service before conclusion of the procurement process?*

The official/s advised that:

- *The irregular expenditure was recognized by management however most of the irregular expenditure relates to contracts that expired in the previous financial year which has not yet been condoned by national treasury.*
- *The irregular expenditure incurred because of contracts not being in place yet however the department is focusing on correcting it.*
- *Head office is required to procure services however the contract time frames lapses, and services are rendered to ensure continuity. Internal audit is currently considering preventative measures to correct this.*

NOTED

(PIKITUP JOHANNESBURG (SOC) LTD)
(Litshani Matsila)
(Tel +27 87 357 1066)

Item 60 QUESTION NO. 60: THE COMMITTEE COMMENDS THE ENTITY FOR SUBMITTING THE FINANCIAL STATEMENTS THAT WERE FREE FROM MATERIAL MISSTATEMENT; HOWEVER, MATERIAL FINDINGS IN THE AOPO AND COMPLIANCE WITH LEGISLATION HINDERED THE ENTITY FROM OBTAINING CLEAN AUDIT.

The Committee highlighted the following:

- *The report states that the department does not have permanent staff in the performance reporting department.*

NOTED

(PIKITUP JOHANNESBURG (SOC) LTD)
(Litshani Matsila)
(Tel +27 87 357 1066)

Item 61 QUESTION NO. 61: NOTE 43: DEVIATION FROM SCM REGULATIONS (REGULATION 36) THE ENTITY USED REGULATION 36 OF THE SUPPLY CHAIN MANAGEMENT FOR PROCUREMENT TO THE VALUE OF R122 MILLION.

The Committee raised the following concerns, comments and questions:

- *The entity procured the security service using regulation 36 (emergency) to the value of R15 million. What was the urgency about the security service to the value of R15 million?*
- *Can the entity explain how it classified procurement of security as emergency?*

The official/s advised that:

- *The accounting officer does not have powers to regularize non-compliance of procurement processes.*
- *The security services has been classified as irregular by the department. There are instances where security services can be regular depending on challenges faced by the entity.*
- *The value of R15 million for security services was done before the absorption of security personnel and these security services were specialized services in accordance with the site safety requirements.*

RESOLVED

That the committee requires a report in May 2022 on initiatives taken by the entity to reduce irregularities and UIFWs and details pertaining the contract register.

(PIKITUP JOHANNESBURG (SOC) LTD)
(Litshani Matsila)
(Tel +27 87 357 1066)

Item 62 RESPONSE TO MPAC: QUESTIONS TO THE
ACCOUNTING OFFICER FOR THE 2020/21
ANNUAL REPORT

The Committee raised the following concerns, comments and questions:

- *How can Group Governance assist the entities to reduce board fees and ensure only justifiable remunerated meetings are conducted?*

The official/s advised that:

- *Group Governance is responsible for appointing board members and the determination of board fees.*
- *The standard 4 meetings for boards are held for the consideration of the quarterly results. 2 special board meetings are permitted which are necessitated by the financial year end where the audit reports and audited financial statements are considered. The chairperson of the board also attends the group audit committee meetings and chairperson quarterly meetings.*

RESOLVED

That Group Governance provide a report indicating the criteria used to appoint the chairperson and members of boards and the process thereof, this report must include all costs associated with the meeting including the rates applied to quarterly, special and other meetings.

(PIKITUP JOHANNESBURG (SOC) LTD)
(Charlene Louw)
(Tel +27 87 357 1001)

- Item 63 QUESTION NO. 63: SECTION 95 OF THE MFMA STATES THAT:
'THE ACCOUNTING OFFICER IS RESPONSIBLE FOR MANAGING
THE FINANCIAL ADMINISTRATION OF THE ENTITY, AND FOR THIS
PURPOSE TAKE ALL REASONABLE STEPS TO ENSURE – (D) THAT
UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL
EXPENDITURE AND OTHER LOSSES ARE PREVENTED'

The Committee raised the following concerns, comments and questions:

- *Does the entity have its own UIFW reduction strategies, besides the group initiatives and strategies?*

The official/s advised that:

- *The contract registers guide contract management, the entity and management is notified 12 months before the contracts expire, to institute SCM processes. In the event of timeous action not being taken, it will be escalated and the accounting officer will take corrective action in the event of non-adherence. OPCA also monitors this process to ensure compliance.*
- *The entity has a UIFW strategy which is in line with internal audit, 2 processes are initiated by the entity. One is a process of - avoiding irregular expenditure and the second is reduce and /or condone the irregular expenditure which is served to mpac which is part of the UIFW reduction strategy.*

The Committee highlighted the following:

- *MPAC will request national treasury to induct members of MPAC and the acting City Manager's office and team, in relation to UIFWs. There is a conflict with regards to the departments investigating UIFWs and MPAC investigating UIFWs, this must be clarified by national treasury as it will result.*

RESOLVED

That a report be provided to MPAC outlining the UIFW reduction strategy which must include the UIFWs that the entity recommends for write off.

(PIKITUP JOHANNESBURG (SOC) LTD)
(Litshani Matsila)
(Tel +27 87 357 1066)

4 ANNOUNCEMENTS

The Chairperson announced that the next meeting of 14 April 2022 will commence at 9:00am.

5 CLOSURE

The Chairperson thanked members for their attendance.

THE MEETING TERMINATED AT 17:00.

.....
CHAIRPERSON

.....
DATE

Annexure E. 11

7th Extra-Ordinary Meeting held on 14 April 2022

MINUTES OF THE 7TH EXTRA-ORDINARY MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE HELD AT THE CONSTANCE CONNIE BAPELA COUNCIL CHAMBER, ON THURSDAY, 14 APRIL 2022, AT 09:00.

PRESENT

COUNCILLORS

Nontenja, C T (UDM) (Chairperson)
Brand, D G (DA)
Davids-Green, LA (ActionSA)
Mchunu, A (ActionSA)
Mmbengwa, M N (ANC)
Modukanene, L C (ActionSA)
Ndlela, M (ANC)
Nethamba, R (EFF)
Reinten, I M (DA)
Shackleford, L M (DA)

ALTERNATES

Gantsho, I (ActionSA)
Sekwaila, B J (ANC)

OFFICIALS

T Tseki, Legal Advisor
L Naick, Acting Deputy Director : Committees
T Mabogo, Committee Researcher
T Samuel, Acting Committee Coordinator
L Mbuli, Researcher Assistant
F Brink, Acting City manager
K Semanya, Director : OCM

1 WELCOME

The Chairperson welcomed all present to the meeting.

2 LEAVE OF ABSENCE

1 Applications for leave of absence was received from:

<i>Councillor K J Mosehla</i>	<i>- Tendered an apology of non-attendance</i>
<i>Councillor M Dlanjwa</i>	<i>- Tendered an apology of non-attendance</i>
<i>Councillor R Nethamba</i>	<i>- Request for the EFF caucus to leave the meeting at 11:00 due to a political engagement</i>
<i>Councillor M Moerane</i>	<i>- Tendered an apology of non-attendance due to a political engagement</i>
<i>Councillor D J Ramafikeng</i>	<i>- Tendered an apology and will join the meeting later</i>
<i>Councillor M Mnyameni</i>	<i>- Tendered an apology and will join the meeting later</i>

Councillor T C Buthelezi - *Tendered an apology and will join the meeting later*
Councillor M D Chabalala - *Tendered an apology and will join the meeting later*
Councillor D G Brand - *Tendered an apology and will join the meeting later*
Councillor S M Maila - *Tendered an apology of non-attendance*
Councillor K Reddy - *Tendered an apology and will join the meeting later due to council business*

2 *Councillor conversions for the duration of the meeting*

Councillor J B Sekwaila - *Standing in for Councillor M Moerane*

RESOLVED

- 1 That leave of absence be granted to Councillor K J Mosehla, Councillor M Dlanjwa, Councillor M Moerane, Councillor S M Maila
- 2 That the request for early departure be granted for Councillor R Nethamba
- 3 That the request for late attendance be granted to Councillor D J Ramafikeng, Councillor M Mnyameni, Councillor T C Buthelezi, Councillor, M D Chabalala, Councillor D G Brand and Councillor K Reddy
- 4 That the request for the conversion of JB Sekwaila to a full member for the duration of the meeting be granted

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3 REPORTS

Item 64 CITY POWER RESPONSE TO MPAC QUESTION 64

The Committee required clarity on the following:

- *The entity stated that irregular expenditure is not legally recoverable and hence there is no plan recover the said expenditure. Why does the entity believe that irregular expenditure cannot be recovered?*
- *What's the progress of consequence management in respect of irregular expenditure?*

In response the official reported in the following manner:

- *Circular 68 of the national treasury expenditure indicates that irregular expenditure that is not incurred as a result of fraud cannot be recovered from an individual.*
- *The presiding officers have been appointed and the process of consequence management is to commence*

RESOLVED

- 1 That the entity must provide the committee with a breakdown in respect of the 600 million and the 1 billion in May 2022
- 2 That a progress report be provided to the committee indicating the status and details of the implementation of consequence management in May 2022.

(CITY POWER JOHANNESBURG (SOC) LTD)
(Mashudu Monyai)
(Cell. 076 153 4414)

Item 65 CITY POWER RESPONSE TO MPAC QUESTION 65

NOTED

(CITY POWER JOHANNESBURG (SOC) LTD)
(Thobile Mbatha)
(Tel. 072 336 1059)

Item 66 CITY POWER RESPONSE TO MPAC QUESTION 66

The Committee required clarity on the following:

- *The industry average for total energy losses is in a range between the range 5% and 12%. While the City power total losses are sitting at 22% which is way above industry norm. What is the entity doing to curb the losses within the industry average?*

- *Are the losses attributable to lack of any system/technical skills within the environment?*
- *What is the position of the entity with regards to the high capital investments, is there budget to execute manage this?*

In response the official reported in the following manner:

- *The reconfiguration of the network and upgrading of infrastructure will reduce losses from 9% to 7%. The smart grid intervention will also reduce technical losses.*
- *There is an engineering group referred to as corporate engineers and strategic partners who have the required skills to maintain and operate in this environment.*
- *The department receives R700 million and R400 million in the form of grants which is a limited budget however we have requested an increased budget during the adjustment process.*

NOTED

(CITY POWER JOHANNESBURG (SOC) LTD)
(Nancy Maluleke)
Tel. 082 902 3264)

Item 67 CITY POWER RESPONSE TO MPAC QUESTION 67

The Committee required clarity on the following:

- *The report states that over 90% of the entity`s metres are smart. Why does the City have a collection rate that is below the rate of meters that are smart?*

The Committee highlighted the following:

- *The vast majority of residents don't receive power from city power*

RESOLVED

- 1 That the committee noted the report with reservations
- 2 That a revised report to be provided to the committee indicating initiatives relating to the collections.

(CITY POWER JOHANNESBURG (SOC) LTD)
(Meyrick Ramatlo)
(Tel. 081 474 2629)

Item 68 CITY POWER RESPONSE TO MPAC QUESTION 68

The Committee required clarity on the following:

- *The use of regulation 36 is being used in matters that don't constitute as an emergency, rather it is due to a lack of planning. Does city power have an effective contract register?*
- *Regarding the outsourcing of power from Calvin power, the contractual agreement is ending and as a result Calvin power is retrenching employees. What is the entities plans regarding this?*

In response the official reported in the following manner:

- *Calvin power and the city had a 10 year contract which came to an end last year, in line with the MFMA, the city is not permitted to exceed a 10 year contract with a supplier and extend for 2 years. Ongoing discussions are taking place between city power and the city to address this matter and provide continued service to residents. Calvin provided power at a lower rate however discussions are still ongoing regarding the direction of the city.*
- *The entity's contracts management department is believed to be effective as the entity issues out a list of contracts and expiration dates on a daily basis. This also indicates the schedules regarding the adverts of the new advertised contracts.*
- *The security services contracts were done on time, the challenges arose with the EAC, where it was affected by the national lockdown as a result the use of regulation 36 was used.*
- *Page 14 of circular 68 which is read together with circular 75 indicates that irregular expenditure that is not incurred as a result of fraud cannot be recovered from an individual. The board of directors will take the final decision regarding the recoverability of irregular expenditure, the board then writes to MPAC to recommend for write off.*

RESOLVED

That the entity to provide a report on the use of circular 68 in May 2022.

(CITY POWER JOHANNESBURG (SOC) LTD)
(Rudzani Mushweu)
(Tel. 072 203 7616)

Item 69 CITY POWER RESPONSE TO MPAC QUESTION 69

The Committee required clarity on the following:

- *How does Group Governance assist the entities to reduce board fees and ensure only justifiable remunerated meetings are conducted?*

In response the official reported in the following manner:

- *The limit on the number of board meetings is not stipulated in the company's act. The limits are set out in the CoJ group policy.*

DEFERRED

RESOLVED

That Group Governance provide MPAC with a detailed report of all board meetings and the details regarding all board fees.

(CITY POWER JOHANNESBURG (SOC) LTD)
(Mark Smith)
(Tel. 083 297 2291)

Item 70 CITY POWER RESPONSE TO MPAC QUESTION 70

The Committee required clarity on the following:

- *Does the entity have its own UIFW reduction strategies, beside the group strategy?*
- *The report does not indicate any progress in relation to the reports that were returned for revision by MPAC*

In response the official reported in the following manner:

- *The entity does have a UIFW reduction strategy as well as a compliance department within the entity.*

RESOLVED

That the entity to provide the UIFW reduction strategy by May 2022.

(CITY POWER JOHANNESBURG (SOC) LTD)
(David Matsheketsheke)
(Tel. 084 810 3161)

Item 71 QUESTION 71: MATERIAL MISTATEMENTS ON THE
AOPO NON-COMPLIANCE WITH LEGISLATION

The Committee required clarity on the following:

- *The report refers to controls that will be implemented on the sampled KPI only. Is there a effective performance management system going to be included across all and not just the information identified as a sample?*

- *What is the entities strategy with ensuring that the infrastructure placed in informal settlements during the implementation of projects are billed and serviced and in the event of residents moving, is the infrastructure still correctly billed?*

In response the official reported in the following manner:

- *The performance management system is in place, which are aligned to KPIs.*
- *The entity does comply with respect to the billing and servicing of the infrastructure during and after the implementation of projects.*
- *In terms of the reduction or increase of households in the informal settlements, these numbers are reported and addressed.*

NOTED

(JOHANNESBURG WATER (SOC) LTD)
(William Chitsa)
(Tel: 011 688 1603)

Item 72 QUESTION 72: MEASURES PUT IN PLACE TO
REDUCE ESTIMATED METER READINGS

The Committee required clarity on the following:

- *Are the regions with low estimates due to smart meters or do the estimators visit those regions more often?*

In response the official reported in the following manner:

- *The entity undergoes a rigorous process of validation with the use of smart readers prior to the information being charged to accounts.*

The Committee highlighted the following:

- *The entity is not ensuring compliance with the by-laws*

NOTED

(JOHANNESBURG WATER (SOC) LTD)
(Siphindile Sikhosana)
(Tel: 011 688 1540)
(Etienne Hugo)
(Tel: 011 688 6587)

Item 73 QUESTION 73: MATERIAL FINDINGS REPORTED
UNDER NON-COMPLIANCE WITH LEGISLATION

The Committee highlighted the following:

- *The report provided a breakdown of what the MD implemented as strategies to strengthen controls within the environment.*

NOTED

(JOHANNESBURG WATER (SOC) LTD)
(Ntshavheni Mukwevho)
(Tel: 011 688 1511)

Item 74 QUESTION 74: PROCUREMENT
THROUGH REGULATION 36

The Committee required clarity on the following:

- *Out of 22 contracts procured using regulation 36, four were identified as irregular by AGSA. The remaining 18 that were not identified as irregular, was it because they were not sampled for audit?*
- *How many regulation 36 contracts did AGSA audited that were not identified as irregular?*

In response the official reported in the following manner:

- *The department will provide the list of deviations and compliance to the committee.*
- *Deviations were due to the critical services that were required by the entity however there is now contracts that have been put in place and have already commenced which should reduce the use of regulation 36*

RESOLVED

That the list of deviations will be made available to the committee.

(JOHANNESBURG WATER (SOC) LTD)
(Malefa Mpitso)
(Tel: 011 688 6663)

Item 75 QUESTION 75: DIRECTOR EMOLUMENTS

The Committee required clarity on the following:

- *Are board members are paid a fixed fee of R12 000 and R16 000 per appearance of the chairperson on an entity business whether it's a meeting, site visit, workshops, interviews and etc?*

- *The other portfolios committee members are paid a fixed fee of R6000 and R8000 for portfolio committee Chairpersons. This fee seems to be fixed, what happens in circumstances where meetings don't quorate? Are the members still paid?*
- *Is this standard to all entities or does each entity have its own policy?*
- *What is the reason for having 11 meetings? Should there not be limits to manage these expenses?*

In response the official reported in the following manner:

- *The fees do differ in respect of board and special meetings, nomination committee meetings, etc. An hourly rate and flat rate fee will apply.*
- *The board members that are present are still paid even when meetings don't quorate.*
- *The governing of the board is strictly adhered to, however if the board requires additional meetings, it will only be done in extreme circumstances and only with permission.*
- *There is a standard for virtual and physical meetings and the same fees would apply.*

NOTED

(JOHANNESBURG WATER (SOC) LTD)
(Kethabile Mabe)
(Tel: 011 688 1411)

Item 76 QUESTION 76: COMPLIANCE WITH
SECTION 95 OF THE MFMA

The Committee highlighted the following:

- *The committee appreciates a detailed submission of the efforts that the accounting officer is putting in place which includes the existence of detailed manual contact register, as this is not available at some departments and entities*

NOTED

(JOHANNESBURG WATER (SOC) LTD)
(Malefa Mpitso)
(Tel: 011 688 6663)

Item 77 QUESTION 77- STATUS OF GFIS CASE

The Committee required clarity on the following:

- *On Page 4 of the report, it states that alleged irregular expenditure at Metrobus contains R22 million payment to 55 employees who worked for overtime during 2019/20, an average of R408 thousand per employee. The status says the matters have been closed and no findings were noted. Can the committee be furnished with the investigation report from the GFIS?*

RESOLVED

That the entity provide a report to the committee indicating the investigations done by GFIS in May 2022.

(JOHANNESBURG METROPOLITAN BUS SERVICES)

Item 78 QUESTION 78- USE OF REGULATION 32

The Committee highlighted the following:

- *The report was from centralised contracts from the City which was managed by CoJ.*

RESOLVED

That the entity provide a report to the committee on the use of regulation 32 and reasons pertaining to this as well as the outcome of the investigations in May 2022.

(JOHANNESBURG METROPOLITAN BUS SERVICES)

Item 79 QUESTION 79- DIRECTORS' EMOLUMENTS

The Committee required clarity on the following:

- *The report disclosed the board fees which seem to be standard across the entities with R16K for Chairpersons and R12k for ordinary members.*

In response the official reported in the following manner:

- *The entity is guided by the policies of Group Governance*

NOTED

(JOHANNESBURG METROPOLITAN BUS SERVICES)

Item 80 QUESTION 80 - PREVENTION OF UNAUTHORISED,
IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

The Committee highlighted the following:

- *The report states that the MD has taken action to reduce UIFW.*

RESOLVED

That the entity to provide the UIFW reduction strategy by May 2022.

(JOHANNESBURG METROPOLITAN BUS SERVICES)

Item 81 RESPONSE TO MPAC QUESTION 81
ON JRA ANNUAL REPORT 2020

The Committee required clarity on the following:

- *Is the department disputing the findings of the AGSA in relation to the KPIs?*
- *What is your perception of the roads in the city because you have provided several notes of disagreement on the report.*

In response the department reported in the following manner:

- *The notes were not supposed to be a part of the report, because the department did agree with the AGSAs finding after consultations. The department is prioritizing this and will address it.*

NOTED

The committee noted the report with reservations

(JOBURG ROADS AGENCY)

(Musa Mkhacani, Sekati Mangena, Sindiswa Mathebula)

Item 82 RESPONSE TO MPAC QUESTION 82
ON JRA ANNUAL REPORT 2020/21

The Committee required clarity on the following:

- *The report refers to a civil claim lodged by Brainwave Projects amounting to R137.9 million against the JRA for unpaid invoices under contract number JRA/17/03, which is currently at court. What are the merits of this civil claim, and does the entity intend to recover the money, since there is clear financial loss to the entity?*

In response the department reported in the following manner:

- *The department is confident that the case is winnable and the reason why it is reported is due to legislation. This process has not been finalized or paid. The department notes that there is an element of fraud due to the signatures on invoices being disputed.*

NOTED

(JOBURG ROADS AGENCY)
(Sekati Mangena)

Item 83 RESPONSE TO MPAC QUESTION 83
ON JRA ANNUAL REPORT 2020/21

The Committee required clarity on the following:

- *The misrepresentation by service providers was detected by Internal Audit Probity Report which is dated 06 June 2019, but the entity incurred the expenditure of over R110 million after the probity report was issued. Why did the entity not freeze the contract after it was notified of the misrepresentation by the service provider?*
- *The department claims to not have blacklisted the service providers as they are awaiting an outcome from the investigation done by GFIS, when was this referred to GFIS and what is the status?*

In response the department reported in the following manner:

- *The blacklisting of service providers can only be done depending on the outcome of the GFIS investigation.*
- *This was discovered after the probity report and thereafter there were no additional services rendered. Probity is usually done before awarding of contracts however this was not the case with this contract.*
- *The case was only referred to GFIS in 2022.*

DEFERRED

RESOLVED

- 1 That a report be provided to the committee indicating the reasons for the delays in relation to the referrals for investigation. Including reasons for not freezing the contract, not blacklisting and awarding contracts without probity.
- 2 That the committee will make a recommendation to council regarding the non-adherence of JRA to processes and the impact of GFIS delays on departments as service providers continue to service the city pending outcomes of investigations.

(JOBURG ROADS AGENCY)
(Dikeledi Thindisa)

Item 84 RESPONSE TO MPAC QUESTION 84
 ON JRA ANNUAL REPORT 2020/21

WITHDRAWN

(JOBURG ROADS AGENCY)
(Dikeledi Thindisa)

Item 85 RESPONSE TO MPAC QUESTION 85
 ON JRA ANNUAL REPORT 2020/21

WITHDRAWN

(JOBURG ROADS AGENCY)
(Phumla Majola)

Item 86 RESPONSE TO MPAC QUESTION 86
 ON JRA ANNUAL REPORT 2020/21

WITHDRAWN

(JOBURG ROADS AGENCY)
(Mzamani Khoza)

Item 87 JCT DID NOT OBTAIN A CLEAN AUDIT OUTCOME
 FOR THE SECOND CONSECUTIVE YEAR. JCT
 RECEIVED A MATERIAL FINDING OF NON-COMPLIANCE
 WITH LEGISLATION RELATED TO THE FAILURE TO
 STIPULATE THE MINIMUM THRESHOLD FOR LOCAL
 CONTENT

The Committee required clarity on the following:

- *The entity indicated that the finding repeated because 2019/20 financial year were overlapping to the 2020/21 financial year because the 2019/20 audit was only finalised in February 2021 due to COVID 19. Are we likely to see clean audit again this financial year?*
- *Are the mechanisms that are being put in place new or is it current processes?*

In response the department reported in the following manner:

- *The department is not anticipating a repeat find because the control mechanisms that have been put in place are performing well.*

- *The control mechanisms are not new they are the same mechanisms that the entity has been using to identify non-compliance which has proven to be efficient.*

NOTED

(JOBURG CITY THEATRES)

Item 88 NOTE 37 DEVIATION EXPENDITURE. THE NOTE LISTS THE CONTRACTS THAT WERE PROCURED USING REGULATION 36 FOR JOBURG CITY THEATRE (JCT)

NOTED

(JOBURG CITY THEATRES)

Item 89 NOTE 27: DIRECTORS EMOLUMENTS. THE BOARD FEES OF THE ENTITY INCREASED BY 50% FROM R1 MILLION TO R1.5 MILLION IN 2021, WHILE EIGHT MEETINGS WERE HELD DURING THE FINANCIAL YEAR.

The Committee highlighted the following:

- *A session will be set with the OCM and group governance to discuss the best solutions to reduced board fees.*

RESOLVED

That the committee will set a meeting with the ACM and Group Governance to discuss the best solutions to reduced board fees.

(JOBURG CITY THEATRES)

Item 90 THE IRREGULAR EXPENDITURE BALANCE OF THE ENTITY IS SITTING AT R4.2 MILLION.

The Committee required clarity on the following:

- *Does the entity have a UIFW reduction strategy besides the city's strategy?*

In response the department reported in the following manner:

- *No the entity is utilizing the city's UIFW reduction strategy.*

NOTED

(JOBURG CITY THEATRES)

4 ANNOUNCEMENTS

The Chairperson announced that the meeting of 19 April 2022 will start at 09:00.

5 CLOSURE

The Chairperson thanked members for their attendance.

THE MEETING TERMINATED AT 14:00.

.....
CHAIRPERSON

.....
DATE