

Annexure D

THE S79 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE QUESTIONS ON THE 2020/2021 ANNUAL REPORT OF THE CITY OF JOHANNESBURG TO THE EXECUTIVE FOR WRITTEN RESPONSE.

Annexure D

The S79 Municipal Public accounts Committee Questions on the 2020/2021 Annual Report of the City of Johannesburg to the Executive for written response.

FINAL VERSION CIRCULATED TO DEPARTMENTS/ENTITIES

**MPAC: QUESTIONS TO THE ACCOUNTING OFFICER FOR THE 2020/21 ANNUAL
REPORT**

18 MARCH 2022

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: QUESTIONS TO THE ACCOUNTING
OFFICER FOR THE 2020/21 ANNUAL REPORT**

ANNUAL REPORT MEETING DATES

DATES	AGENDA
12 APRIL 2022	Consideration of responses to questions
13 APRIL 2022	Consideration of responses to questions
14 APRIL 2022	Consideration of responses to questions
19 APRIL 2022	Consideration of responses to questions

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QUESTIONS: REFERENCE TABLE

DEPARTMENT / ENTITY	PAGE NUMBER	TOTAL QUESTIONS
CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY		
• GROUP FINANCE	2-11	19
• GROUP CORPORATE AND SHARED SERVICES (GCSS)	11-16	13
• GSPCR	16-17	03
• GROUP LEGAL AND CONTRACTS	17-19	03
• OFFICE OF CITY MANAGER (OCM)	19-22	07
• GROUP RISK AND ASSURANCE SERVICES	22-24	03
• GFIS	24	01
METROPOLITAN TRADING COMPANY (MTC)	24-28	08
PIKITUP	28-31	06
CITY POWER	31-34	07
JOBURG WATER	34-37	06
METROBUS	37-39	04
JOHANNESBURG ROAD AGENCY (JRA)	39-43	06
JOBURG CITY THEATRES (JCT)	43-45	04
JOHANNESBURG CITY PARKS and ZOO (JCPZ)	45-46	02
JOBURG MARKET (JM)	46-49	05
JOHANNEBUEG PROPERTY COMPANY (JPC)	49-52	04
JOHANNEBURG HOUSING COMPANY (JOSHCO)	52-54	06
JOHANNEBURG DEVELOPMENT AGENCY (JDA)	54-56	03
TOTAL		110

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#	Question	Response	Date tabled
GROUP FINANCE			
1	<p>Note 7: Receivables from exchange transactions</p> <p>Fruitless and wasteful expenditure receivable moved from R2 million in the previous F/S to R0 in the current financial year.</p> <p>a) Was the entire R2 million recovered during the Financial year or some amounts were written off?</p> <p>b) Was this submitted to MPAC sub-committee?</p> <p>c) The response must include whether the AGSA identified Fruitless and wasteful expenditure?</p>	 MPAC Response Question 1 WORD ve  GROUP sscm mpac RESPONSES.pdf	12-04-2022
2	<p>Note 10: Consumer Debtors</p> <p>The allowance for impairment constitutes 80% of the consumer Debtors. This is despite various initiatives by the department to improve revenue collection such as stand by stand audit.</p> <p>a) What is the quantified impact of each programme undertaken by the Department, including the cost of and the probable benefits of each programme for 2020/21 and 2021/22 F/Y`s?</p> <p>b) 60% of the Provincial and National government accounts have been impaired. Does the department have the strategy/policy that specifically deals with the governments' accounts?</p>	 MPAC RESPONSE TO QUESTION 2 - GF  MPAC Q2.pdf	12-04-2022

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	<p>c) Since covid -19 regulations have been relaxed. Are we likely to see any improvement in the collection?</p> <p>Note: The response should include the cost, benefits methodology of stand by stand audit, other Revenue Enhancement Strategies and collection and credit control programmes underway during the 2021/22 financial year.</p>		
3	<p>Repairs and maintenance expenditure amounted to only 2.7 % of property, plant and equipment. The target was 8 %.</p> <p>a) What are the reasons for this under-achievement?</p> <p>b) What are the mitigating strategies to ensure improvement?</p>	 MPAC Question 3 - RM Report_Final Ver:  MPAC Q3.pdf	12-04-2022
4	<p>Note 34: Government Grants and Subsidies</p> <p>The Group paid back, R127.7 million for the Public Transport Network Grant (Operational Projects), R9.8 million for the Neighborhood Development Partnership Grant, R12.9 million for Jozi Ihlomihle (HIV/AIDS) Provincial Grant, and R136 thousand for the Expanded Public Works Programme.</p> <p>a) Which departments and/or entities were expected to spend the above grant receipts paid back in 2020/21 F/Y?</p> <p>b) Which programmes were the grants intended for?</p> <p>c) Why were the above grant receipts paid back in 2020/21 F/Y?</p>	 MPAC Response Question 4.doc  GROUP sscm mpac RESPONSES. Q4.pdf	12-04-2022

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5	<p>Note 42: General Expenses Debt Collection expenses increased by 62% from R229 million in 2020 to R374 million in 2021.</p> <ul style="list-style-type: none"> What tangible return, in terms of actual debt collections, has the City seen in return for this expenditure? <p>Note: The response must include information by service provider, including debt collected and fees charged to the City.</p>	 MPAC QUESTION 5 RESPONSE.doc  MPAC Q 5.pdf	12-04-2022
6	<p>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.</p> <p>a) What is the reason for the increased expenditure on Consultation and Professional Fees, does this cost include IT consultants or is it under IT expenses?</p> <p>Note: The response must include a list of all the consultation and professional services used during 2019/20 and 2020/21 financial year.</p>	 MPAC Response Question 06- Genera  MPAC Q6.pdf	12-04-2022
7	<p>Note 42: General Expenses The expenses for software increased by 290% from R58 million in 2020 to R169 million 2021 and from R141 million to R181 million for the group.</p> <p>a) Is the City is using all the software that they have paid for?</p> <p>b) Note: The response must include all the list of software paid for in 2020 and in 2021 by the core and</p>	 METROBUS Software Expenses.xl  JRA SOFTWARE EXPENSES.xlsx  GICT SOFTWARE COSTS.xlsx	12-04-2022

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	entities, also the user department of each software.	 MPAC Response Question 07- Genera  MPAC Q7.pdf	
8	<p>AGSA indicated that only 32% of the AFS submitted by the core and entities were free from material misstatement before correction, which indicates a decrease of 9% from 42% in the previous F/Y.</p> <p>a) What causes regression in the quality of F/S submitted to the AGSA?</p> <p>The material misstatement of receivables from exchange and non-exchange transaction is repeating from the previous financial year. Does the department have plans or strategies to improve the overall financial reporting?</p>	 Annexure to Question 8 - Audit R  MPAC Response Question 08 march 2  MPAC Q8.pdf	12-04-2022
9	<p>Non-technical electricity losses constitute 20% of bulk purchases.</p> <p>a) Non-technical losses increase by 6% in the two previous financial years from 14% in the 2019 to 20% in 2021. Does revenue department have the specific programmes or strategies to curb this problem?</p>	 20220404 - MPAC Question 9 - Non Tec  20220404 - MPAC Question 9 - Non Tec	12-04-2022

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10	<p>Note 54: Deviation from SCM</p> <p>The note lists the contracts that were procured using regulation 36 for core to the value of R1.2 billion.</p> <p>a) Provide the list of contracts awarded using regulation 36, the completed regulation 36 checklist, the reason for the deviation and the department that is responsible for the expenditure.</p> <p>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.</p> <p>c) Does the department have a contract performance monitoring tool such as a contract register?</p> <p>Note: The response must include the service provider used, Value in Rands, service being provided, term of contract and whether contract have been identified as irregular expenditure or noncompliance was identified.</p>	 MPAC Response Question 10 march 2  MPAC Q10.pdf  ANNEXRUE TO MPAC Q10.pdf	12-04-2022
11	<p>Note 52: Awards to close family members</p> <p>a) For the completeness of the disclosure, does the City rely on the declaration by the service providers or is there a system in place to detect if the service provider has a close family member in the service of the state?</p>	 MPAC Response Question 11 Dated N  MPAC Q11.pdf	12-04-2022

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	Note: The response must address, why the AGSA identified awards made to the providers who are close family members of the COJ officials, which were not disclosed in note 52.		
12	<p>AGSA raised a concern over the non-monitoring of performance of certain service providers.</p> <p>a) Does the City have performance monitoring controls like contract register?</p> <p>b) If it's available who is responsible for monitoring and updating the register and how often is it updated?</p>	 MPAC Response Question 12 Dated 12-04-2022  MPAC Q12.pdf	12-04-2022
13	<p>Note 51: Additional Disclosures</p> <p>a) Several councilor's consumer accounts are in arrears, with some being repeated. What mechanisms are in place to ensure that stakeholders such as councilors are duly paying accounts?</p>	 Question 13 MPAC questions to the Acc  MPAC Q13.pdf	12-04-2022
14	<p>Note 49: Fruitless and Wasteful expenditure</p> <p>76% (R8.7 million) of the total fruitless and wasteful expenditure (R11.3 million) incurred by the core relate to the MTN sim cards that the City paid for and never used.</p> <p>a) Why did the City procure more sim cards than they require to meet their operational requirement?</p> <p>b) Which controls are in place to avoid this fruitless and wasteful expenditure in the new cellphone</p>	 MPAC Report Question 14 MTN.do  MPAC Q14.pdf	12-04-2022

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	<p>contract that the City recently concluded?</p> <p>c) The response must include the number of sim cards and Cellphones that were not utilized in the previous contract and what the city is planning to do with those items.</p> <p>d) What actions has Group Finance taken to support core departments and entities to ensure that future fruitless and wasteful expenditure is prevented?</p>		
15	<p>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.</p> <p>a) What can the regression in the City`s audit outcome be attributable to?</p> <p>In addition, what are the tangible strategies that the City have in place to improve the audit outcomes?</p>	 MPAC Response Question 15 - MTC.p  MPAC Response Question 15 - MTC.d	12-04-2022
16	<p>Group Risk and Governance Committee (GRGC) raised a concern over the lack of progress made on the implementation of the Disaster Recovery Plan and the Business Continuity Plan for three consecutive financial years.</p> <p>a) Why is it taking so long for the City to have an updated Disaster Recovery Plan and the Business Continuity plan?</p>	 2021-22 GRAS MPAC AFS2019-20 IT  MPAC Q16.pdf	12-04-2022

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17	<p>Moody`s downgraded the City`s credit worthiness to Ba2 in terms of credit scale rating.</p> <p>a) 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?</p> <p>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?</p>	 MPAC Response Question 17 march 2  MPAC Q17.pdf	12-04-2022
18	<p>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)</p> <p>a) Have the indigent registers been updated and when?</p> <p>b) Has the actual number of indigents increased or decreased?</p> <p>c) What are the reasons for such an increase/decrease?</p> <p>d) What measures are in place to verify and validate indigent information to ensure integrity of information in the indigent register?</p> <p>e) What is the process of screening applicants?</p> <p>f) Can the department submit the list of beneficiaries and households?</p> <p>g) What is the status quo on the rescinding of benefits provided to deceased and the residents in the</p>	 Question 18_ESP_Soc Dev ESP  MPAC Q18.pdf	12-04-2022

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	service of the state as identified by AGSA?		
19	<p>AGSA sampled three key projects during the audit and they raised various concern over each project.</p> <p>a) Project 1: Goudkoppies Waste Water Treatment Works</p> <ul style="list-style-type: none"> i. The AGSA indicated that during the time of the audit the project was still at the implementation stage, due to extension of time and variation orders the contract was expanded for more allowable 20% as per treasury regulations. ii. Why were the reasons for the delays in the commencement of the project? iii. What were the reasons for cost escalations? iv. Why was the extension of time and variation orders expanded for more than allowable 20% as per treasury regulations? v. What impact did the delays had on the lives of citizen who rely on these services? vi. What is the status quo/completion stage of the project? <p>b) Project 2: Lufhereng Housing Development</p> <ul style="list-style-type: none"> i. The projects include a yield of 7425 fully subsidized housing units, AGSA 	<p>HOUSING AND CPOWER – OUTSTANDING</p> <div style="text-align: center;">  Draft Response on Audit Finding on Go </div> <div style="text-align: center;">  Draft Response on Audit Finding on Go </div>	12-04-2022

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		<p>indicated that by the time of audit only 473 units were completed, while 85% of the contract value was spent.</p> <p>ii. Why is 85% of the budget spent, but only 473 of 7425 units are completed?</p> <p>iii. Is the remaining 15% of the budget going to produce 6952 units?</p> <p>iv. If this was due to poor controls in the project/contract management, what is the quantified?</p> <p>v. Was any consequence management taken against responsible officials, if these was due to improper contract management?</p> <p>vi. What impact did the slow progress of this project had on the backlog of housing in the area?</p> <p>c) Project 3: Refurbishment of the Cleveland Substation</p> <p>i. AGSA indicated that the project was not completed within initial contractual completion date, timelines and cost was amended through deviations.</p> <p>ii. What was the reasons for delays in completion of the project?</p> <p>iii. How much expense did the City paid to date in relation to this project?</p> <p>iv. What was the initial value of the contract?</p>	<p> Report to respond on questions raised l</p> <p> Lufhereng Housing Development MPAC</p> <p> City Power - MPAC - Question 19 -</p>	
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	<p>v. How much of the expense paid was identified as irregular or fruitless expenditure?</p> <p>vi. Which impact did the delays in the project had on the capacity of the substation to generate electricity for households?</p> <p>d) Can the department submit lists of projects that were classified as key projects during 2020/21 F/Y?</p> <p>e) Does the department have mechanisms in place to monitor the projects?</p> <p>f) The response must indicate the projects that had time extension and variation orders of more than 20%, and the reasons thereof.</p>		
GCSS			
20	<p>Note 42: General Expenses Security for Guarding of Municipal Property is sitting at R273 million for 2021.</p> <p>a) Why is the City still incurring high cost for contracting of securing services, while this service is available in house?</p>	 <p>Question20 onnote42of2020-21A</p>  <p>MPAC Q20.pdf</p>	12-04-2022
21	<p>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.</p> <p>a) What is the reason for the increased expenditure on fleet costs?</p>	 <p>MPAC Report Question 21.doc</p>  <p>MPAC Q21.pdf</p>	12-04-2022

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	<p>b) Please provide the number of vehicles leased and the average cost per a vehicle. The information should cover 2018/19, 2019/20 and 2020/21 and specialized fleet, non-specialized fleet and red fleet.</p> <p>c) How many of the irregular fleet contracts are still active?</p>		
22	<p>AGSA raised an internal control deficiency over the manual management of leave by the City, wherein they indicated that some leave taken were not deducted from employees' leave balance and some employees encashed leave days above 24 days which is in contravention with the City's policy.</p> <p>a) How did this internal control deficiency happen?</p> <p>b) What controls is the department implementing to mitigate this in future?</p> <p>c) Which steps did the department take to recover the money lost?</p> <p>d) Did the City implement consequence management on responsible officials?</p> <p>e) What is the quantified impact of this internal control deficiency in 2020/21 F/Y?</p> <p>Note: The response must include the amount paid to employees who encashed more than 24 days of their leave and the overall value of the leave days that employees took and they were never captured in the system.</p>	 Report MPAC Q22 City Manual Leave M  MPAC Q22.pdf	12-04-2022

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




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23	<p>In 'Table 4.8.3: Disciplinary action taken on cases of financial misconduct', a number of employees have been found guilty or dismissed for theft and corruption. Some employees resigned before the completion of the disciplinary hearings.</p> <p>a) Were criminal cases filed for all the above cases?</p> <p>b) The response must include the quantified value of cases and the recoveries to date.</p>	 Report MPAC Q23 DC of Financial Miscr  MPAC Q23.pdf	12-04-2022
24	<p>For each Core department and each entity:</p> <p>a) How long, on average, does it take to finalize a disciplinary case?</p>	 Report MPAC Q24 Group Disciplinary C:  MPACQ24.pdf  ANNEXURE TO MPAC Q24.pdf	12-04-2022
25	<p>How is it ensured that all officials in the Group are aware of, and have committed to, the Code of Conduct?</p> <p>a) What communication was sent out to officials in 2020/21?</p> <p>b) What induction is offered to new employees across the Group?</p>	 Report MPAC Q25 Code of Conduct 20  ANNEXURE C TO MPAC Q25.pdf  Report MPAC Q25 Code of Conduct 20	12-04-2022

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		 DC CODE OF CONDUCT.pdf  MPAC Q25.pdf	
26	<p>For the City of Johannesburg Metropolitan Municipality, what vacancies were there at a senior management level in 2020/21?</p> <p>a) Are all these positions budgeted for? If so, why are they not permanently filled.</p> <p>Note: The response must indicate whether there is an official acting in the vacant position and the original position of the acting official.</p>	 Report MPAC Q26 Snr Management Var  Report MPAC Q26 Snr Management Var  MPAC Q26.pdf	12-04-2022
27	<p>What is the percentage of positions that were vacant for each department in the City in 2020/21?</p> <p>a) What is the amount of overtime paid by department in 2020/21?</p> <p>b) What percentage of employees received overtime pay by department in 2020/21?</p> <p>i. Are these positions budgeted for?</p>	 Report MPAC Q27 City Vacant Percenta  MPAC Q27.pdf	12-04-2022
28	<p>What is the percentage of positions vacant for each entity of the City in 2020/21?</p> <p>a) What is the amount of overtime paid by entity in 2020/21?</p> <p>b) What percentage of employees received overtime pay by entity in 2020/21?</p> <p>i. Are these positions budgeted for?</p>	 Q28 Report MPAC ME Vacant Percentag  MPAC Q28.pdf	12-04-2022

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29	<p>For each entity, please provide the following information:</p> <ul style="list-style-type: none"> a) The number of employees suspended, duration of suspension, b) number of employees suspended for periods longer than three months, c) total cost of suspension, d) number of employees who faced disciplinary action, e) number of days to finalize disciplinary action and f) results of the disciplinary action. 	 <p>Report MPAC Q29 MEs Suspensions Di</p>  <p>MPAC Q29.pdf</p>	13-04-2022
30	<p>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.</p> <ul style="list-style-type: none"> a) Over the previous three financial years, what controls (preventative and corrective) has GCSS implemented to prevent a recurrence of UIFW expenditure? b) Over the previous three financial years, what disciplinary action has GCSS undertaken in response to UIFW expenditure? <p>Note: The response must state the specific controls and disciplinary actions that have been implemented.</p>	 <p>MPAC Report Question 30-Fleet Cc</p>  <p>MPAC Q30.pdf</p>	13-04-2022

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31	<p>Does the City enforce/require all their officials and councilors to make annual declaration of interest?</p> <p>a) What is the percentage of employees/councillors who declared their interest during the 2020/21 financial year?</p> <p>b) Where declarations have not been made or where declarations remain incomplete, has any disciplinary action been taken against officials or councilors who have failed to provide complete declarations?</p> <p style="padding-left: 40px;">i. How are the declarations checked for completeness?</p> <p style="padding-left: 40px;">ii. Are the declarations made available to all SCM officials for reference?</p> <p>c) Does the City have an internal control system to verify the authenticity of declared interests? if not why?</p>	<div style="text-align: center;">  MPAC Q31 ON DOI PROCESSES (002).docx </div> <div style="text-align: center;">  MPAC Q31 ON DOI PROCESSES.pdf </div>	13-04-2022
32	<p>a) Are their instances in which consultants are appointed to tasks because posts are vacant?</p> <p style="padding-left: 40px;">i. Please describe the number and circumstance of these appointments?</p> <p>b) Are there instances where consultants are employed to perform tasks that fall within the ambit of existing posts that are filled? If so, Why?</p>	<div style="text-align: center;">  Report MPAC Q32 Consultants due to v </div> <div style="text-align: center;">  MPAC Q32.pdf </div>	13-04-2022
GSPCR			

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33	<p>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.”</p> <p>AGSA raised a concern over non-compliance with this circular for three consecutive financial years.</p> <p>a) Why is the City not complying with circular 88 requirements? b) When is the City going to comply with all tier 1 and tier 2 indicators of this circular?</p>	 MPAC Circular 88 Qs.doc  MPAC Q33.pdf	13-04-2022
34	<p>a) Is the monitoring and evaluation unit of GSCPR adequately capacitated? b) What are the number of vacancies in the monitoring and evaluation unit?</p> <p>i. Please provide the approved unit organogram with this response. i. Are these vacancies budgeted for? ii. What is the budget of the unit? iii. Is this budget sufficient?</p>	 GSPCR_34_ME Capacity Structure.d  MPAC Q34.pdf	13-04-2022

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35	<p>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.</p> <p>a) Were audit files prepared before the audit, with the required supporting documentation for reported performance indicators?</p>	 GSPCR_35_Reliability and Usefulness.doc  MPAC Q35.pdf	13-04-2022
GROUP LEGAL and CONTRACTS			
36	<p>Note 46: Contingencies The City lists around R3.2 billion in contingent liabilities, which expose the City to a considerable risk, particularly to entities.</p> <p>a) What guidance does Group Legal and Contracts provide to officials across the Group on legal matters, including reducing the risk of litigation and assessing the most efficient legal strategy?</p> <p>b) What can the City do to reduce the number and value of contingent liabilities across the Group?</p> <p>c) What processes are in place, and what processes should be in place, to assess the best course of action when the City or entity are faced with a court case?</p> <p>i. Please list the specific processes.</p>	 Response to MPAC Final SIGNED GH GLC  Response to MPAC Final SIGNED GH GLC	13-04-2022

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37	<p>a) Is Group Legal and Contracts adequately capacitated?</p> <p>b) What is the number of vacancies of Group Legal and Contracts?</p> <p>i. Please provide the approved unit organogram with this answer.</p> <p>c) What is the budget of the unit?</p> <p>i. Is this budget sufficient?</p>	 Response to MPAC Final SIGNED GH GLC  Response to MPAC Final SIGNED GH GLC  APPROVED STRUCTURE LEGAL.p  HI LEVEL STRUC LEGAL.pdf	13-04-2022
38	<p>AGSA raised a concern over repeat findings on the contract management.</p> <p>a) Are there contract registers to monitor the performance?</p> <p>b) Are all contractors to the municipality rendering services in relation to a properly signed contract?</p> <p>c) Have all contracts or templates contracts used by the municipality been legally vetted?</p> <p>d) What plans does the city have to ensure that legal services is involved in the adjudication of contracts?</p> <p>e) Do all contracts contain a clear set of indicators, targets and/or deliverables to which the contractor must respond to?</p> <p>f) Have the end-user departments in the municipality signed-off on the contract including its deliverables, targets and indicators?</p> <p>g) What is the process for managing contracts within the city?</p>	 Response to MPAC Final SIGNED GH GLC  Response to MPAC Final SIGNED GH GLC  CONTRACT MANAGEMENT POLI  CONTRACT MANAGEMENT FRAM	13-04-2022
OCM			

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39	<p>Note 33: Employee related costs: The allowance for Group Head of Governance decreased from R683 000 in the previous F/Y to R183 000 in the current F/Y, and for Group Head of Legal from R285 000 to R85 000 in the current F/Y.</p> <p>a) What led to the decrease in the allowances paid to those executives and what are those allowances paid for?</p> <p>Note: The response must include the comparison of allowance paid last F/Y to the current F/Y</p>	 Report MPAC Q39 Employee Related Co  MPAC Q39.pdf	13-04-2022
40	<p>On 20 April 2021, Council approved a terms of reference for a disciplinary board, as required by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings of 2014. In the City of Johannesburg, considering the high incidence of unauthorised, irregular or fruitless and wasteful expenditure (UIFW expenditure) and the overall poor control environment, there will be many allegations of financial misconduct that will need to be investigated.</p> <p>a) How will the disciplinary board be equipped to manage the large number of allegations of financial misconduct?</p> <p>i. What plan does the City have in place to ensure that the disciplinary board is adequately resourced?</p> <p>ii. How will the integrity of the disciplinary board, in terms of</p>	 2021-22 GRAS MPAC AFS2019-20 IT  MPAC Q40.pdf	13-04-2022

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	<p>ensuring that it provides assurance in terms of the completeness and thoroughness of its preliminary investigations, be protected?</p> <p>Note. Please provide specific information to support the responses to the questions.</p>		
41	<p>Material Irregularity Identified During Audit</p> <p>AGSA identified material irregularity due to the City`s failure to correctly deduct and withhold employee tax on gratuity payments to the total value of R9.1 million and R6.3 million of interest and penalties.</p> <p>a) Accounting officer indicated to AGSA that investigations were instituted to determine responsible officials who caused a loss and recommendations were submitted on 30th September 2021. Can the committee be furnished with the recommendations and the implementation thereof?</p> <p>b) It was further stated that the recovery of monies for current employees was to be completed in January and April for former employees. Did the City Manager recover money from current employees?</p> <p>c) What is the status quo of recoveries that are due in April 2022 for former employees?</p> <p>d) The Accounting Officer indicated that employees will be referred to the disciplinary board and the process is anticipated to be</p>	<p> MPAC Q41.pdf</p> <p> Report MPAC Q41 Employee Tax on Gr</p> <p> ANNEXURE TO MPAC Q41.pdf</p>	13-04-2022

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	<p>finalized by April 2022. Is the disciplinary board functional or is it expected to be functional before April 2022?</p> <p>e) Is the recovery only for actual monies lost of R9.1 million or it also includes the interest of R6.3 million?</p> <p>f) If the interest is going to be recovered, will this be from employees who were paid monies or officials who failed to withhold tax?</p>		
42	<p>The material findings raised by AGSA in the expenditure management, consequence management and compliance with legislation are repeating for third consecutive years.</p> <p>a) Was there any consequence management taken by the accounting officer for senior management who failed to address the previous financial year audit findings?</p> <p>b) Does the City have other alternative measures to mitigate the issue of non-compliance, as the previous strategies that were promised did not yield any results?</p>	 2021-22 GRAS MPAC AFS2019-20 IT  MPAC Q42.pdf	13-04-2022
43	<p>The audit outcome of Audit of Predetermined Objectives (AOPO) for core also regressed from unqualified in 2020 to qualified in the current year.</p> <p>a) Why did the outcome regress and what is the City`s strategy to improve reliability of the reported performance information?</p>	 GSPCR_43_Audit Outcome of AOPO.d  MPAC Q43.pdf	13-04-2022

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	b) What do you attribute the regression to?		
44	What plans has the accounting officer put in place to ensure that the internal controls within the City is improved to encourage in-year detection of non-compliance with laws and regulations and unauthorised, irregular, fruitless and wasteful expenditure?	 2021-22 GRAS MPAC AFS2019-20 IT  MPAC Q44.pdf	13-04-2022
45	<p>The city overall performance in the APR is 66% against the set targets, while 89 protests were noted in 2020/21 F/Y.</p> <p>a) Do the protests have the direct relationship with the slow implementation/progress in the key projects that affect lives of the citizens?</p> <p>b) Are we likely to see increase in the overall performance in 2021/22 F/Y?</p>	 GSPCR_45.doc  MPAC Q45.pdf	13-04-2022
GROUP RISK AND ASSURANCE SERVICES			
46	<p>The remedial action plan on the audit findings have proved to be ineffective in the three previous financial years, as the audit outcomes have deteriorated.</p> <p>a) What has changed in the current plan that will yield the positive results and ensure that same findings do not repeat in the next financial year; especially findings in procurement and contract management, expenditure management and consequence management?</p> <p>b) Is the city confident that it has properly analysed and determined</p>	 MPAC Question 46 response_GIAS respc  MPAC Q46.pdf	13-04-2022

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	<p>the root causes of the recurring findings?</p> <p>c) Has additional internal or external expertise (e.g. Provincial Treasury, National Treasury) been sought to assist in the development of the plan?</p>		
47	<p>AGSA raised a concern over the high vacancy rate in the Internal Audit division.</p> <p>Acting CAE, does the Group Internal Audit Services unit have enough competent, experienced and independent staff to conduct separate evaluations of the institution's internal control?</p>	 2021-22 GRAS MPAC AFS2019-20 IT  MPAC Q47.pdf	13-04-2022
48	<p>a) Which policies and strategies are in place to deal with compliance with laws and regulations, fraud and corruption?</p> <p>b) Are the strategies and plans to prevent non-compliance, fraud and corruption implemented and do we measure their outcomes?</p> <p>c) If no, then how do we know they are effective?</p> <p>d) Can the department quantify instances and provide comparative figures of non-compliance, fraud and corruption?</p>	 Final Response to MPAC on Question 4  Annexure A Reported cases from  Final Response to MPAC on Question 4	13-04-2022
GFIS			

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49	<p>AGSA audit report indicated that a total of 263 cases of alleged irregularities relating to financial misconduct, fraudulent acts, theft and non-compliance were investigated during the financial year. They further stated that majority of the cases were investigated internally and some of the irregularities incurred in the prior year have not been investigated.</p> <p>a) Can the entity provide a list of the cases that were investigated in the current F/Y?</p> <p>b) The response must include the progress of the investigation and outcome for completed investigations.</p> <p>c) Why some of the irregularity incurred in the prior was not being investigated?</p> <p>d) Can the department submit list of investigation the are more than six months and still ongoing?</p>	 Final Response to MPAC on Question C  ANNEXURE A Cases investigated fin year  MPAC Q49.pdf	13-04-2022
MTC			
50	<p>The entity `s audit results regressed from unqualified to qualified opinion in the financial Statements audit, the qualification was due to entity not reviewing useful lives of numerous assets at each reporting date in accordance with GRAP 17.</p> <p>a) What led to this material noncompliance with accounting standard? Does the entity have the qualified officials to produce quality AFS or is this service outsourced?</p>	 MPAC question 50.doc  MPAC Q50.pdf	13-04-2022

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51	<p>Note 3 Of AFS: Property, Plant and Equipment</p> <p>The note States that the entity have intention to sell its major asset through Enhanced Business Model, which council has approved.</p> <p>a) Can the entity explain in detail what the EBM program entails and why they want to sell the major asset of their operations?</p> <p>b) The response must include how this will affect the business model of the entity and the status quo of the transaction.</p>	 MPAC question 51.doc  MPAC Q51.pdf	13-04-2022
52	<p>AGSA identified a fraud risk factor during the audit; they raised a concern over the irregularities in the appointment of the senior executive management and the number of investigations that have been ongoing for a long time.</p> <p>a) Can the entity provide a list of senior executive management positions filled that AGSA identified irregular appointments?</p> <p>b) Can the entity submit 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)</p> <p>c) Why should the committee not conclude that the accounting officer lacks commitment to address this repeat finding?</p>	 MPAC question 52.doc  MPAC Q52.pdf	13-04-2022

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53	<p>AGSA report indicated that entity's report on performance information has regressed to an adverse opinion compared to prior year. They further stated that this is due lack of urgency in resolving the issues around performance information as similar findings were reported in the previous year.</p> <p>a) Why did the entity fail to correct the prior year audit findings on AOPO that led to adverse opinion?</p> <p>b) Was there any consequence management taken against the officials who were responsible for the improved reporting in the AOPO?</p>	 MPAC question 53.doc  MPAC 53.pdf	13-04-2022
54	<p>Note 4: Loan to Municipal Entities MTC loan has been further impaired by R1.6 billion.</p> <p>a) What measures are in place to ensure MTC does not default on capital repayments of this loan?</p>	 MPAC question 54.doc  MPAC 54.pdf	13-04-2022
55	<p>Note 41: Additional disclosures (deviation from SCM) The note lists the contracts that were procured using regulation 36 for MTC to the value of R7.5 million.</p> <p>a) Provide the list of contracts awarded using regulation 36, the completed regulation 36 checklist, the reason for the deviation.</p> <p>b) Please state the reasons used by the accounting officer to accept and approve each contract. Please provide the written approval</p>	 Scanned Documents.zip  MPAC Q55.pdf  MPAC question 55.doc	13-04-2022

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	<p>provided by the accounting officer.</p> <p>c) Does the department have a contract performance monitoring tool such as a contract register?</p> <p>Note: The response must include the service provider used, Value in Rands, service being provided, term of contract and whether contract have been identified as irregular expenditure or noncompliance was identified.</p>		
56	<p>Note 43: Directors Emoluments</p> <p>The board fees of the entity increased by 65% from R1.5 million to R2.3 million in 2021, while seven meetings were held during the financial year.</p> <p>a) Why did the entity hold more than four meetings as required by the Companies Act?</p> <p>b) What are the criteria's used to appoint board chairpersons and members?</p> <p>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?</p> <p>d) Also, furnish the committee with all the board meetings held in 2020 and 2021 and the attendance registers.</p> <p>Note: The response must state whether they are paid hourly on different rates and the criteria used to determine the rates.</p>	 QUESTION 56.zip  MPAC Q56.pdf  MPAC question 56.doc	13-04-2022

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57	<p>Section 95 of the MFMA states that:</p> <p><i>‘The accounting officer is responsible for managing the financial administration of the entity, and for this purpose take all reasonable steps to ensure –</i></p> <p><i>(d) that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented’</i></p> <p>a) Has the MD of MTC complied with this legislation?</p> <p>b) If not, what plans does the MD have in place to ensure compliance with Section 95?</p> <p>Note: The MD of MTC must provide supporting evidence for the answer to this question</p>	 MPAC Q57.pdf  MPAC question 57.doc	13-04-2022
PIKITUP			
58	<p>Note 28: General expenditure Costs incurred in relation to waste disposal fees decreased 3.7 times to R7.5 million.</p> <p>a) Why has the expenditure decreased 3.7 times in the current financial year?</p>	 MPAC Question no.58.doc  MPAC Q58.pdf	13-04-2022
59	<p>Note 42: Expenditures flagged as irregular include Landfill Operations, IT Services, Security Contract, Employee Cost, Rental Cost and Sanitizing and Deep Cleaning Services.</p> <p>a) Why has each expenditure identified as irregular?</p> <p>b) Has Pikitup undertaken investigations into the irregular expenditure?</p>	 MPAC Question no.59.doc  MPAC 59.pdf	13-04-2022

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	c) Have any steps ensuring consequence management been taken?		
60	<p>The committee commends the entity for submitting the Financial statements that were free from material misstatement; however, material findings in the APOPO and compliance with legislation hindered the entity from obtaining clean Audit.</p> <p>a) Why is the entity not replicating the strategy used in their finance department to obtain a clean audit in the performance and compliance section especially SCM?</p> <p>b) Did the entity recruit new senior officials in the finance department during the financial year?</p> <p>c) Can the Entity submit a plan that will ensure compliance with the areas of concern raised?</p>	 MPAC question no.60.doc  MPAC Q60.pdf	13-04-2022
61	<p>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.</p> <p>a) Provide the list of contracts awarded using regulation 36, the completed regulation 36 checklist, the reason for the deviation.</p> <p>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.</p>	 MPAC Question no.61.doc  MPAC Q61.pdf	13-04-2022

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	<p>c) Does the department have a contract performance monitoring tool such as a contract register?</p> <p>Note: The response must include the service provider used, Value in Rands, service being provided, term of contract and whether contract have been identified as irregular expenditure or noncompliance was identified.</p>		
62	<p>Note 36: Directors Emoluments</p> <p>The board fees of the entity increased by 10% from R1.4 million to R1.5 million in 2021, while six meetings were held during the financial year.</p> <p>a) Why did the entity hold more than four meetings as required by the Companies Act?</p> <p>b) What is the criteria used to appoint board chairpersons and members?</p> <p>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?</p> <p>Note: The response must state whether they are paid hourly on different rates and the criteria used to determine the rates.</p>	<p> shareholder policy - mpac q62.pdf</p> <p> 2020_21 Board Remuneration Sched</p> <p> MPAC Question no.62.doc</p> <p> MPAC Q62.pdf</p>	13-04-2022
63	<p>Section 95 of the MFMA states that:</p> <p><i>'The accounting officer is responsible for managing the financial administration of the entity, and for this purpose take all reasonable steps to ensure –</i></p> <p><i>(d) that unauthorised, irregular</i></p>	<p> MPAC Question no.63.doc</p> <p> MPAC Q63.pdf</p>	13-04-2022

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	<p><i>or fruitless and wasteful expenditure and other losses are prevented'</i></p> <p>a) Has the MD of PikItUp complied with this legislation?</p> <p>b) If not, what plans does the MD have in place to ensure compliance with Section 95?</p> <p>Note: The MD of PikItUp must provide supporting evidence for the answer to this question</p>		
CITY POWER			
64	<p>Note 46: Irregular Expenditure The entity incurred irregular expenditure of R1 billion during the financial year, the bulk of which was the R600 million for Labour contract declared null and void by court.</p> <p>a) Why did the court declare the contract null and void?</p> <p>b) Did the Entity implement consequence management on the responsible officials?</p> <p>c) Does the Entity have a plan to recover the R1 billion?</p> <p>Note. The response should include contract details such contract number, case number and judgement from the court.</p>	 City Power - MPAC - Question 64 .doc  MPAC Q64.pdf  ANNEXURE TO MPAC Q64.pdf	14-04-2022
65	<p>The committee commends the entity for submitting the Financial statements that were free from material misstatements, however material findings on the APO and compliance with legislation hindered the entity from obtaining clean Audit. The AGSA also commended the</p>	 City Power - MPAC - Question 65.doc  MPAC Q65.pdf	14-04-2022

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	<p>Entity in implementing effective internal controls over consequence management.</p> <p>a) How many investigations did the entity conclude during the year as they relate to consequence management?</p> <p>b) What are the prospects of entity obtaining clean audit in the 2021/22 F/Y? What is the current percentage of AG Audit resolutions for 2020/21 Financial year?</p> <p>c) Does the entity have controls or strategy in place to improve the reporting of the AOPO?</p>		
66	<p>Note 40: Bulk purchases.</p> <p>Technical electricity losses constitute 9% of bulk purchases.</p> <p>a) Are the City's technical losses above or below the industry average?</p> <p>b) If above what is the entity doing to reduce the losses?</p>	 MPAC Q66.pdf  City Power - MPAC - Question 66.doc	14-04-2022
67	<p>a) What percentage of meters is smart?</p> <p>b) What is the average number of actual billings vs estimates during 2020/21 Financial Year?</p> <p>c) How is the Entity reconciling lost meters vs the number of households in the City? As per AGSA comments.</p>	 City Power - MPAC - Question 67.doc  MPAC Q67.pdf	14-04-2022

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68	<p>Note 49: Deviation from SCM processes (Regulation 36) The note lists the contracts that were procured using regulation 36 for City Power.</p> <p>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.</p> <p>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.</p> <p>c) Does the department have a contract performance monitoring tool such as a contract register?</p> <p>Note: The response must include the service provider used, Value in Rands, service being provided, term of contract and whether contract have been identified as irregular expenditure or noncompliance was identified.</p>	 ANNEXURE TO MPAC Q68.pdf  2ND ANNEXURE TO MPAC Q68.pdf  3RD ANNEXURE TO MPAC Q68.pdf  MPAC Q68.pdf  4TH ANNEXURE TO MPAC Q68.pdf  City Power - MPAC - Question 68.doc	14-04-2022
69	<p>Note 43: Directors Emoluments The board fees of the entity increased by 60% from R1.5 million to R2.6 million in 2021, while twelve meetings were held during the financial year.</p> <p>a) Why did the entity hold more than four meetings as required by the Companies Act?</p> <p>b) What is the criteria used to appoint board chairpersons and members?</p>	 City Power - MPAC - Question 69.doc  MPAC Q69.pdf	14-04-2022

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	<p>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?</p> <p>d) Also, furnish the committee with all the board meetings held in 2020 and 2021 and the attendance registers.</p> <p>Note: The response must state whether they are paid hourly on different rates and the criteria used to determine the rates.</p>		
70	<p>Section 95 of the MFMA states that:</p> <p><i>'The accounting officer is responsible for managing the financial administration of the entity, and for this purpose take all reasonable steps to ensure –</i></p> <p><i>(d) that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented'</i></p> <p>a) Has the MD of City Power complied with this legislation?</p> <p>b) If not, what plans does the MD have in place to ensure compliance with Section 95?</p> <p>Note: The MD of City Power must provide supporting evidence for the answer to this question</p>	 MPAC Q70.pdf  City Power - MPAC - Question 70.doc	14-04-2022
JOBURG WATER			
71	<p>The entity submitted the financial statements that were free from material misstatements to the AGSA, but there were material misstatements in the AOPO and Noncompliance with legislation.</p>	 MPAC Q71.pdf  Response to Question 71 V2.doc	14-04-2022

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	<p>a) What plan does the entity have in place to eliminate material findings in noncompliance and qualified opinion in AOPO, for it to obtain clean audit?</p> <p>b) Why is there no compliance with the MFMA? (cross-cutting)</p>		
72	<p>a) What measures have been put in place to reduce the number of estimated meter readings?</p> <p>i. Are these measures effective? Please provide the effectiveness by measure.</p> <p>ii. What is the percentage of properties, per region, that have received estimated meter readings for each month in 2020/21?</p>	 MPAC Q72.pdf  Response to Question 72 v3.doc	14-04-2022
73	<p>The entity has five material findings reported under noncompliance with legislation. The AGSA determined that the accounting officer of Johannesburg Water did not exercise adequate oversight responsibility regarding preventing non-compliance with legislation and that reported performance information is supported.</p> <p>a) MD of Johannesburg Water, why should the committee not conclude that the accounting officer failed to exercise their fiduciary duties?</p> <p>b) MD of Johannesburg Water, how do you intend on rectifying the findings of the AGSA?</p>	 MPAC 73.pdf  Response to Question 73 V2.doc	14-04-2022

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74	<p>Note 37: Deviation from SCM processes (Regulation 36) The note lists the contracts that were procured using regulation 36 for Joburg Water to the value of R189.2 million.</p> <p>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.</p> <p>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.</p> <p>c) Does the department have a contract performance monitoring tool such as a contract register?</p> <p>Note: The response must include the service provider used, Value in Rands, service being provided, term of contract and whether contract have been identified as irregular expenditure or noncompliance was identified.</p>	 Spreadsheet B Copy of DEVIATIONS FROM  Spreadsheet A Copy of Deviations 2020-2  MPAC Q74.pdf  ANNEXURE TO MPAC Q74.pdf  Response to Question 74 (002).doc	14-04-2022
75	<p>Note 33: Directors Emoluments The entity held 11 board meetings during the financial year and the non-executive director's fees amounted to R1.8 million.</p> <p>a) Why did the entity hold more than four meetings as required by the Companies Act?</p> <p>b) What is the criteria used to appoint board chairpersons and members?</p>	 MPAC Q75.pdf  ANNEXURE TO MPAC Q75.pdf  Response to Question 75 V2 (002)	14-04-2022

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	<p>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?</p> <p>d) Also, furnish the committee with all the board meetings held in 2020 and 2021 and the attendance registers.</p> <p>Note: The response must state whether they are paid hourly on different rates and the criteria used to determine the rates.</p>		
76	<p>Section 95 of the MFMA states that:</p> <p><i>'The accounting officer is responsible for managing the financial administration of the entity, and for this purpose take all reasonable steps to ensure –</i></p> <p><i>(d) that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented'</i></p> <p>a) Has the MD of Joburg water complied with this legislation?</p> <p>b) If not, what plans does the MD have in place to ensure compliance with Section 95?</p> <p>Note: The MD of Joburg water must provide supporting evidence for the answer to this question</p>	<p> MPAC Q76.pdf</p> <p> ANNEXURE B TENDERS-REGISTER-</p> <p> ANNEXURE C2 TO MPAC Q76.pdf</p> <p> ANNEXURE C1 TO MPAC Q76.pdf</p> <p> ANNEXURE A TO MPAC Q76.pdf</p> <p> Response to Question 76 amende</p>	14-04-2022
GFIS			
77	<p>Audit report from AGSA indicated that GFIS was investigating allegations of possible fraud, procurement irregularities and financial misconduct in the entity, covering various financial years</p>	<p> MPAC Q77.pdf</p> <p> GFIS Investigation Status Update - Marc</p>	14-04-2022

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	<p>including the one under review. The outcome was expected on the 30th of November 2021.</p> <p>a) What is the status quo of these investigations?</p> <p>b) Can the entity submit a list of investigations and indicate whether the officials are in suspension pending outcome of investigations or not?</p>		
78	<p>AGSA indicated that the bulk of irregular expenditure for the entity was due to the use of regulation 32.</p> <p>For all regulation 32 contracts deemed irregular:</p> <p>a) What date was regulation 32 used?</p> <p>b) What goods or services were procured under each contract and what goods or services were the original contract from the other organ of state?</p> <p>i. What were the demonstrable benefits or discounts received by the entity for each contract?</p> <p>Note. Please provide copies of the original documentation that was used to justify the use of regulation 32</p> <p>c) Which organs of state were the original contract under?</p> <p>d) Was the use of regulation 32 in terms of MFMA Circular 96?</p>	<p> MPAC Q78.pdf</p> <p> Use of Regulation 32 MBUS Q 78 - Mai</p>	-

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79	<p>Note 36: Directors Emoluments The board fees of the entity increased by 55% from R1.6 million to R2.9 million in 2021, while eight meetings were held during the financial year.</p> <p>a) Why did the entity hold more than four meetings as required by the Companies Act?</p> <p>b) What is the criteria used to appoint board chairpersons and members?</p> <p>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?</p> <p>Note: The response must state whether they are paid hourly on different rates and the criteria used to determine the rates.</p>	 MPAC Q79.pdf  Directors Emoluments MBUS (-
80	<p>Section 95 of the MFMA states that:</p> <p><i>'The accounting officer is responsible for managing the financial administration of the entity, and for this purpose take all reasonable steps to ensure –</i> <i>(d) that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented'</i></p> <p>a) Has the MD of Metrobus complied with this legislation?</p> <p>b) If not, what plans does the MD have in place to ensure compliance with Section 95?</p> <p>Note: The MD of Metrobus must provide supporting evidence for the answer to this question.</p>	 CONFIRMATION OF PARTICIPATION MPAC Q79.pdf  3RD NOTIFICATION MPAC Q80.pdf  2ND EXTENSION MPAC Q80.pdf  1st EXTENSION MPAC Q80.pdf	-

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		 UIFW Q80 MBUS - March 2022.doc  MBUS RESPONSE TO MPAC Q80.pdf	
81	<p>The entity obtained a qualified opinion on the AOPO, because AGSA could not obtain sufficient evidence on the 54.51% reported performance of the percentage of unsurfaced roads graded, and on 5.94% reported performance of municipal road lanes which has been resurfaced and resealed.</p> <p>a) The committee noted the questionability of the usefulness and reliability of these KPI`s with great concern as quality of the roads in the City is deteriorating.</p> <p>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?</p> <p>c) Is the entity capacitated to sufficiently fulfill its day to day operations?</p> <p>d) What is the vacancy rate of the operations department (i.e. direct workers for resurfacing and fixing of potholes)</p> <p>e) How is the entity measuring it's performance against its KPIs? (include how was the usefulness and reliability found questionable)</p>	 MPAC Q81.pdf  JRA response to MPAC question 81 c	14-04-2022

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

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82	<p>Note 39: General Expenses</p> <p>The provision for legal proceedings increased from R20 million in the 2020 Financial year to R125 million during the financial year under review.</p> <p>a) Why did this expense increase by R105 million?</p> <p>Note: The response must include breakdown of all the possible legal litigation that the provision was raised for.</p>	 MPAC Q82.pdf  ANNEXURE TO MPAC Q82.pdf  JRA response to MPAC question 82 c	14-04-2022
83	<p>AGSA raised non-compliance with SCM regulation 38(1) in the audit report, wherein they indicated that some contracts were awarded to the service providers who committed a corrupt and fraudulent act in competing for the contracts.</p> <p>a) Can the entity provide a list of the contracts where this non-compliance was raised by AGSA and the acts of corruption and fraud allegedly committed by those service providers?</p> <p>b) Can the entity provide the committee with a plan to ensure the prevention of the non-compliance raised?</p> <p>c) What remedial action has been taken? i.e. opening of criminal cases, disciplinary cases</p> <p>d) Were the service providers blacklisted from doing business with the government?</p> <p>e) Are there any control measures that detect and restrict a blacklisted service provider</p>	 MPAC Q83.pdf  ANNEXURE A TO MAPC Q83.pdf  ANNEXURE C TO MPAC Q83.pdf  ANNEXURE B TO MPAC Q83.pdf  JRA response to MPAC question 83 c	14-04-2022

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	(response must include appropriate action taken according to the provisions of the Labour Relations Act and Criminal Procedures Act, respectively)		
84	<p>Note 37: Deviation Expenditure The note lists the contracts that were procured using regulation 36 and 17 of SCM for Johannesburg Road Agency (JRA) to the value of R3.4 million.</p> <p>a) Provide the list of contracts awarded using regulation 36 and 17 during 2020/21 F/Y, the completed regulation 36 checklist, the reason for the deviation?</p> <p>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.</p> <p>c) Does the department have a contract performance monitoring tool such as a contract register?</p> <p>d) Why should the committee not conclude that the non-compliance with the regulation 36 and 17 of SCM is deliberate given that this is a multi-year repeat finding by the AGSA?</p> <p>Note: The response must include the service provider used, Value in Rands, service being provided, term of contract and whether contract have been identified as irregular expenditure or noncompliance was identified.</p>	 MPAC Q84.pdf  ANNEXURE C TO MPAC Q84.pdf  ANNEXURE A 7 2 TO MPAC Q84.pdf  ANNEXURE A 6 TO MPAC Q84.pdf  ANNEXURE A 5 TO MPAC Q84.pdf  ANNEXURE A 4 TO MPAC Q84.pdf  ANNEXURE A 3 TO MPAC Q84.pdf  ANNEXURE A 2 TO MPAC Q84.pdf  ANNEXURE A 1 TO MPAC Q84.pdf	19-04-2022

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		 ANNEXURE A 7 TO MPAC Q84.pdf  JRA response to MPAC question 84 c	
85	<p>Note 30: Directors Emoluments The entity's non-executive director's fees decreased from R2.6 million in 2020 to R1.9 million 2021. While the entity held ten board meetings during the 2020/21 financial year.</p> <p>a) Why did the entity hold more than four meetings as stipulated by the Companies Act?</p> <p>b) What is the criteria used to appoint board chairperson and members?</p> <p>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?</p> <p>d) Also, furnish the committee with all the board meetings held in 2020 and 2021 and the attendance registers.</p> <p>Note: The response must state whether they are paid hourly on different rates and the criteria used to determine the rates.</p>	 MPAC Q 85.pdf  ANNEXURE BOT MTGS TO MPAC Q85  ANNEXURE EMOLUMENTS TO MF  ANNEXURE NED PAYMENTS TO MPAC  JRA response to MPAC question 85 c	-
86	<p>The irregular expenditure balance of the entity is sitting at R640 million.</p> <p>Section 95 of the MFMA states that:</p> <p>'The accounting officer is responsible for managing the financial administration of the entity, and for</p>	 MPAC Q86.pdf  JRA response to MPAC question 86 c	19-04-2022

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




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	<p>this purpose take all reasonable steps to ensure –</p> <p>(d) that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented’</p> <p>a) Has the CEO of JRA complied with this legislation?</p> <p>Note: The CEO of JRA must provide supporting evidence for the answer to this question</p>		
JCT			
87	<p>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.</p> <p>a) The material finding raised by AGSA on the local content is repeating from the previous financial year. Why was this finding not rectified?</p> <p>b) What is the accounting officer of the entity doing to prevent the recurrence of the audit finding?</p> <p>c) What are the challenges faced by the entity making it to not obtain a clean audit for the second consecutive year?</p> <p>d) What are the plans to prevent this recurrence?</p> <p>e) Are there any mitigating factors to address the material findings?</p>	<p> MPAC Q87.pdf</p> <p> Ref 87. JCT did not obtain a clean audit</p>	14-04-2022

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88	<p>Note 37: Deviation Expenditure The note lists the contracts that were procured using regulation 36 for Joburg City Theatre (JCT)</p> <p>a) Provide the list of contracts awarded using regulation 36 during 2020/21 F/Y, the completed regulation 36 checklist.</p> <p>b) Please state the reasons used by the accounting officer to accept and approve each contract.</p> <p>c) Please provide the written approval provided by the accounting officer.</p> <p>d) Does the department have a contract performance monitoring tool such as a contract register?</p> <p>Note: The response must include the service provider used, Value in Rands, service being provided, term of contract and whether contract have been identified as irregular expenditure or noncompliance was identified.</p>	 MPAC Q88.pdf  ANNEXURE B DEVIATION SCH TO I  ANNEXURE B SOLE SUPP TO MPAC Q88  ANNEXURE B R AND M TO MPAC Q88.pdf  ANNEXURE B LICENSES TO MPAC  ANNEXURE B RESEARCH TO MPAC  Ref 88, Note 37 Deviation Expenditur	14-04-2022
89	<p>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.</p> <p>a) What is the reason for the increment of the board fees?</p> <p>b) Why did the entity hold more than four meetings as stipulated by the Companies Act?</p> <p>c) What is the criteria used to appoint board chairpersons and members?</p>	 MPAC Q89.pdf  ANNEXURE BOT FEES TO MPAC Q89.1  ANNEXURE BOT FEES 2 TO MPAC Q89  Ref 89. Note 27 Directors Emolumen	14-04-2022

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	<p>d) Can the entity furnish the committee with the cost per meeting paid to each non-executive director in the 2020 and 2021 financial year?</p> <p>e) Also, furnish the committee with all the board meetings held in 2020 and 2021 and the attendance registers.</p> <p>Note: The response must state whether they are paid hourly on different rates and the criteria used to determine the rates.</p>		
90	<p>The irregular expenditure balance of the entity is sitting at R4.2 million.</p> <p>Section 95 of the MFMA states that:</p> <p><i>'The accounting officer is responsible for managing the financial administration of the entity, and for this purpose take all reasonable steps to ensure –</i></p> <p><i>(d) that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented'</i></p> <p>a) Has the CEO of JCT complied with this legislation?</p> <p>Note: The CEO of JCT must provide supporting evidence for the answer to this question.</p>	<p> MPAC Q90.pdf</p> <p> Ref 90. The irregular expenditure balance</p>	14-04-2022
JCPZ			

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91	<p>Note 27: Directors Fees The board fees of the entity decreased from R1.2 million to R1.1 million in 2021, while seven meetings were held during the financial year.</p> <p>a) Why did the entity hold more than four meetings as stipulated by the Companies Act?</p> <p>b) What is the criteria used to appoint board chairpersons and members?</p> <p>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?</p> <p>d) Also, furnish the committee with all the board meetings held in 2020 and 2021 and the attendance registers.</p> <p>Note: The response must state whether they are paid hourly on different rates and the criteria used to determine the rates.</p>	 MPAC Q91.pdf  JCPZ Response to question 91 - Directc  MPAC Report - Response to Questio	19-04-2022
92	<p>Entity incurred an irregular expenditure of R95 million during the financial year.</p> <p>Section 95 of the MFMA states that:</p> <p><i>'The accounting officer is responsible for managing the financial administration of the entity, and for this purpose take all reasonable steps to ensure –</i></p> <p><i>(d) that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented'</i></p>	 MPAC Q92.pdf  JCPZ response to question 92 - Irregul.  MPAC Report - Response to Questio	19-04-2022

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	<p>a) Has the MD of JCPZ complied with this legislation?</p> <p>b) If not, what plans does the MD have in place to ensure compliance with Section 95?</p> <p>c) What were the reasons for incurring irregular expenditure of 95 million?</p> <p>d) Was this irregular expenditure internally investigated and if so, what was the outcome of the investigation?</p> <p>Note: The MD of JCPZ must provide supporting evidence for the answer to this question.</p>		
JOBURG MARKET			
93	<p>Note 21: General Expenses</p> <p>The adverting expense increased from R1.7 million to R3.7 million in the current financial year.</p> <p>a) Why did the advertising expense increase by over 100%?</p>	<p> Increase in Advertising.pdf</p> <p> MPAC Integrated Report - item 60 - Qi</p>	19-04-2022
94	<p>Joburg Market has five material findings of non-compliance with legislation. AGSA determined Internal audit did not fully complete its planned audits during the year and action plans to mitigate the risk of reoccurring audit findings were not effectively implemented.</p> <p>a) What steps does the board of Joburg Market intend to take to prevent a recurrence of the findings?</p> <p>b) In the view of the board, what are the root causes of the material non-compliance with legislation in Joburg Market?</p>	<p> Annex 1 - PCA - AGSA 2021 FY Audit</p> <p> MPAC Integrated Report - item 60 - Qi</p> <p> MPAC Integrated Report - item 60 - Qi</p>	19-04-2022

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	c) Why should the committee not conclude that the accounting officer lacks commitment to address these repeat findings?		
95	<p>Note 36: Deviation from SCM regulations</p> <p>During the current year the entity made various procurement to the value of R8.6 million using regulation 36.</p> <p>a) Provide the reasons for deviations</p> <p>b) Provide the list of contracts awarded using regulation 36 during 2020/21 F/Y, the completed regulation 36 checklist</p> <p>c) Please state the reasons used by the accounting officer to accept and approve each contract.</p> <p>d) Please provide the written approval provided by the accounting officer.</p> <p>e) Does the department have a contract performance monitoring tool such as a contract register?</p> <p>Note: The response must include the service provider used, Value in Rands, service being provided, term of contract and whether the expenditure on the contract have been identified as irregular expenditure or noncompliance</p>	 MPAC Integrated Report - item 95 - Nt  Annex 4 - Accounting Officer's  SCM REGULATIONS.pdf  Annex 3 - Contract Register for 2020-20:	19-04-2022

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96	<p>Note 30: Directors Emoluments</p> <p>The entity's non-executive director's fees increased from R1.7 million in 2020 to R2.4 million in 2021. While the entity held nineteen board meetings during the 2020/21 financial year.</p> <p>a) What is the reason for the increment of the board fees?</p> <p>b) Why did the entity hold more than four meetings as stipulated by the Companies Act?</p> <p>c) What is the criteria used to appoint board chairpersons and members?</p> <p>d) Can the entity furnish the committee with the cost per meeting paid to each non-executive director in the 2020 and 2021 Financial year?</p> <p>e) Also, furnish the committee with all the board meetings held in 2020 and 2021 and the attendance registers.</p> <p>Note: The response must state whether they are paid hourly on different rates and the criteria used to determine the rates.</p>	 Annex 4 - Accounting Officer's  MPAC Questions Cover Report_Respon  MPAC Integrated Report - item 60 - Qi	-
97	<p>The irregular expenditure balance of the entity is sitting at R180 million. Section 95 of the MFMA states that:</p> <p><i>'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</i></p>	 IRR EXPENCES.pdf  Joburg Market Quaetion 97.doc	19-04-2022

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	<p><i>expenditure and other losses are prevented'</i></p> <p>a) Has the MD of Joburg Market complied with this legislation?</p> <p>b) If not, what plans does the MD have in place to ensure compliance with Section 95?</p> <p>c) What were the reasons for high balance of irregular expenditure?</p> <p>d) Was this irregular expenditure internally investigated and if so, what was the outcome of the investigation?</p> <p>Note: The MD of Joburg Market must provide supporting evidence for the answer to this question</p>		
JPC			
98	<p>Note 25: General Expenses</p> <p>OHASA- Covid-19 expense increased by 581 % from R9.3 million to R54.1 million in 2021.</p> <p>a) Why did the expense increased by 581 % (R44.8 million)?</p> <p>b) Which costs/transactions does the OHASA includes?</p> <p>c) Was any transaction under this line item identified as Irregular, Fruitless or Unauthorised?</p> <p>NB. Please note that MPAC would like the Chair of Board and MD to respond to this question.</p>	 OHASA Covid-19 Expenditures Report  MPAC 98.pdf	19-04-2022
99	<p>Note 39: Deviation from SCM regulations</p> <p>The entity lists transactions to the value of R53 million for deviation related to Covid-19 and R256 million for deviation relating to office accommodation.</p>	 MPAC Q99.pdf  Deviations Reported for the 2020-2021 Fir	19-04-2022

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	<p>a) Provide the list of contracts awarded using regulation 36 and deviation related to COVID-19 during 2020/21 F/Y, the completed regulation 36 checklist, the reason for the deviation and the department that is responsible for the expenditure.</p> <p>b) Please state the reasons used by the accounting officer to accept and approve each contract.</p> <p>c) Please provide the written approval provided by the accounting officer.</p> <p>d) Does the entity have a contract performance monitoring tool such as a contract register?</p> <p>Note: The response must include the service provider used, Value in Rands, service being provided, term of contract and whether contract have been identified as irregular expenditure or noncompliance was identified.</p>		
100	<p>Note 24: Directors Emoluments</p> <p>The entity's non-executive director's fees increased from R1.5 million in 2020 to R1.8 million in 2021. While the entity held eleven board meetings during the 2020/21 financial year.</p> <p>a) What is the reason for the increment of the board fees?</p> <p>b) Why did the entity hold more than four meetings as stipulated by the Companies Act?</p> <p>c) What are the criteria used to appoint board chairperson and members?</p>	<p> MPAC Q100.pdf</p> <p> Directors Emoluments Reporte</p>	-

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	<p>d) Can the entity furnish the committee with the cost per meeting paid to each non-executive director in the 2020 and 2021 financial year?</p> <p>e) Also, furnish the committee with all the board meetings held in 2020 and 2021 and the attendance registers.</p> <p>Note: The response must state whether they are paid hourly on different rates and the criteria used to determine the rates.</p>		
101	<p>The irregular and Fruitless expenditure balance of the entity is sitting at R63 million and R47 million respectively.</p> <p>Section 95 of the MFMA states that:</p> <p><i>'The accounting officer is responsible for managing the financial administration of the entity, and for this purpose take all reasonable steps to ensure –</i></p> <p><i>(d) that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented'</i></p> <p>a) Has the CEO of JPC complied with this legislation?</p> <p>b) If not, what plans does the CEO have in place to ensure compliance with Section 95?</p> <p>c) What were the reasons for high balance of irregular expenditure?</p> <p>d) Was this irregular expenditure internally investigated and if so, what was the outcome of the investigation?</p>	 MPAC Q101.pdf  Irregular and Fruitless Wasteful Expenditure	19-04-2022

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	Note: The CEO of JPC must provide supporting evidence for the answer to this question		
JOSHCO			
10 2	<p>Note 18: Administrative Expenses</p> <p>The expense for 'training' increased by over 600% from R177 thousand to R1.1 million in 2021 F/Y.</p> <p>a) Why did the expense increased by over 600%?</p> <p>b) What does the expense entail? NB. Please note that MPAC would like the CEO to respond to this question.</p>	 MPAC JOSHCO RESPONSE TO QUES`  MPAC JOSHCO RESPONSE TO QUES`	19-04-2022
10 3	<p>Note 18: Administrative Expenses</p> <p>The expense for security increased by R7 million from R14 million to R 21 million in 2021.</p> <p>a) Why did the security cost increase while the service was insourced?</p>	 MPAC JOSHCO RESPONSE TO QUES`  MPAC JOSHCO RESPONSE TO QUES`	19-04-2022
10 4	<p>Note 18: Administrative Expenses</p> <p>Electricity cost increased by over 270% from R12 million to R34 million in 2021.</p> <p>a) Why did the electricity expenditure increased by 270%?</p>	 MPAC JOSHCO RESPONSE TO QUES`  MPAC JOSHCO RESPONSE TO QUES`	19-04-2022
10 5	<p>Note 34: Deviation from SCM regulations</p> <p>The note lists the contracts that were procured using regulation 36 for JOSHCO</p> <p>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</p>	 Annexure B3_Exclain deviation.pdf  Annexure B2_Dikatshe Deviatio  Annexure B1_Big O Deviation memo.pdf	19-04-2022

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	<p>b) Please state the reasons used by the accounting officer to accept and approve each contract.</p> <p>c) Please provide the written approval provided by the accounting officer.</p> <p>d) Does the entity have a contract performance monitoring tool such as a contract register?</p> <p>Note: The response must include the service provider used, Value in Rands, service being provided, term of contract and whether contract have been identified as irregular expenditure or noncompliance was identified.</p>	 Annexure B4_Egoli gas account Deviatio  RESPONSE TO QUESTION 105 ANN  MPAC JOSHCO RESPONSE TO QUES  MPAC JOSHCO RESPONSE TO QUES	
10 6	<p>Note 20: Directors Emoluments</p> <p>The entity's non-executive director's fees increased from R1 million in 2020 to R2.7million in 2021. While the entity held fourteen board meetings during the 2020/21 financial year.</p> <p>a) What are the reasons for the increase of R1.7 million in board fees?</p> <p>b) Why did the entity hold more than four meetings as stipulated by the Companies Act?</p> <p>c) What are the criteria used to appoint board chairpersons and members?</p> <p>d) Can the entity furnish the committee with the cost per meeting paid to each non-executive director in the 2020 and 2021 financial year?</p> <p>e) Also, furnish the committee with all the board meetings held in</p>	 MPAC JOSHCO RESPONSE TO QUES  MPAC JOSHCO RESPONSE TO QUES	-

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	<p>2020 and 2021 and the attendance registers.</p> <p>Note: The response must state whether they are paid hourly on different rates and the criteria used to determine the rates.</p>		
107	<p>The irregular expenditure balance of the entity is sitting at R124 million. Section 95 of the MFMA states that:</p> <p><i>‘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’</i></p> <p>a) Has the CEO of JOSHCO complied with this legislation?</p> <p>b) If not, what plans does the CEO have in place to ensure compliance with Section 95?</p> <p>c) What were the reasons for high balance of irregular expenditure?</p> <p>d) Was this irregular expenditure internally investigated and if so, what was the outcome of the investigation?</p> <p>Note: The CEO of JOSHCO must provide supporting evidence for the answer to this question</p>	<p> RESPONSE TO QUESTION 107 ANN</p> <p> RESPONSE TO QUESTION 107 ANN</p> <p> MPAC JOSHCO RESPONSE TO QUES</p> <p> MPAC JOSHCO RESPONSE TO QUES</p>	19-04-2022
JDA			

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108	<p>Note 38: Fruitless and Wasteful Expenditure</p> <p>Note list a fruitless expenditure of R2.9 million for interest and penalties paid to SARS, which was written off in the current financial year.</p> <p>a) Did the entity submit the write-off of fruitless and wasteful expenditure to MPAC UIFW sub-committee?</p> <p>b) The entity indicated that the objection of interest was lodged with SARS and the response was still pending by the end of financial year. What is the status quo of the objection?</p>	 MPAC Q108.pdf  Q108 JDA Response.doc  ANNEXURE TO MPAC Q108.pdf	19-04-2022
109	<p>Note 24: Directors Emoluments</p> <p>The entity's non-executive director's fees increased from R1.1 million in 2020 to R2.2million in 2021.</p> <p>a) Why did the directors fees increase by R1.1 Million?</p> <p>b) How many meeting did the entity hold during the 2020/21 Financial year?</p> <p>c) What are the criteria used to appoint board chairperson and members?</p> <p>d) Can the entity furnish the committee with the cost per meeting paid to each non-executive director in the 2020 and 2021 Financial year?</p> <p>e) Also, furnish the committee with all the board meetings held in 2020 and 2021 and the attendance registers.</p>	 MPAC Q109.pdf  Q109 JDA Response.doc	-

FINAL VERSION CIRCULATED TO DEPARTMENTS/ENTITIES

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

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	Note: The response must state whether they are paid hourly on different rates and the criteria used to determine the rates.		
110	<p>The irregular expenditure balance of the entity is sitting at R300 thousand. Section 95 of the MFMA states that:</p> <p><i>‘The accounting officer is responsible for managing the financial administration of the entity, and for this purpose take all reasonable steps to ensure –</i></p> <p><i>(d) that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented’</i></p> <p>a) Has the A/CEO of JDA complied with this legislation?</p> <p>b) If not, what plans does the A/CEO have in place to ensure compliance with Section 95?</p> <p>c) Was this irregular expenditure internally investigated and if so, what was the outcome of the investigation?</p> <p>Note: The A/CEO of JDA must provide supporting evidence for the answer to this question</p>	 MPAC Q110.pdf  Q110 JDA Response.doc	19-04-2022