

**MATJHABENG MUNICIPALITY**

# **MINUTES**

**of**

**MPAC COMMITTEE MEETING**

**Held on**

**FRIDAY, 24 AUGUST 2018**

**at**

**10am**

**ROOM 428, 4<sup>TH</sup> FLOOR, CIVIC CENTRE WELKOM**

**SECTION A  
PROCEDURAL MATTERS**

**1. OPENING AND WELCOME**

The Chairperson, Cllr D Masienyane welcomed everyone present and declared the meeting open. He further indicated to members that those items should serve to the next council, he alluded that the meetings must make the impact in terms of the resolutions taken.

**2. SIGNING OF ATTENDANCE REGISTER**

**CLLRS**

1.Cllr Masienyane D \_MLM

2.Cllr Botha P \_MLM

3.Cllr Marais J \_MLM

4.Cllr Molefi M \_MLM

5.Cllr Poo I -MLM

6.Cllr Nqeobo M \_MLM

**EXECUTIVE DIRECTORS**

1.Mr T Tsoaeli-Municipal Manager

2.Mr T Makofane-ED:Strategic Support Services

3.Mr T Panyani \_Chief Financial Officer

4.Mr FF Wetes –ED:Corporate Support Services

5.Mrs Z Tindleni –ED:Community Services

**OFFICIALS**

1.Mr R Senyane – Internal Audit

2.Ms P Sefuthi \_Risk Management

3.Me. Matshediso Pheko MPAC Secretary

**FEZI**

Mrs N Mochochoko

Mr P Chiroodza

<b>3.</b>	<b>APPLICATION FOR LEAVE OF ABSENCE</b> Cllr J Mosia-absent due to the March in his ward.  Cllr D Mafa
<b>4.</b>	<b>OFFICIAL ANNOUNCEMENTS</b> None
<b>5.</b>	<b>MOTIONS OF SYMPATHY AND CONGRADULATIONS</b> None
<b>6.</b>	<b>MINUTES OF THE PREVIOUS MEETING</b> The Minutes of the 7 August 2018 were adopted as a true reflection.
<b>7.</b>	<b>MATTERS ARISING FROM THE MINUTES</b> None.
<b>8.</b>	<b>DEPUTATIONS AND INTERVIEWS</b>  8.1. MPAC outstanding matter on Nyakallong waste water treatment plant and T16 Report.  8.2. Final report on Irregular, Fruitless and Wasteful Expenditures.
<b>9.</b>	<b>CLOSURE</b>

## **DEPUTATIONS AND INTERVIEWS**

MPAC outstanding matter on Nyakallong waste water treatment plant and T16 Report.

Mr Paradzai was allowed to present the report before the committee.

### **8.1 T16 REPORT**

#### **BACKGROUND**

The construction of Thabong T16 waterborne sanitation of 1300 stands started in 2014 at a project value of R61 899 139.

During the project site visit, it was identified that the lower lying areas of T16 sewer outfall were to gravitate to the pump station and from pump station to treatment plant because the area was sloping down and there was a need for a booster pump for the outfall to be able to divert to the waste water treatment plant.

The Municipality had to prioritise the construction of the toilet structures, plumbing, internal sewer ahead of the bulk network at the pump station due to poor planning; and the sewer pipeline was not connected to the pump station. This resulted in sewer overflow around the area of construction at the pump station which caused pollution of the environment and compromised the safety and health of the residents of Thabong.

#### **CHALLENGES**

The contractor was appointed and paid the full amount in 2013 and the job was un-finished.

In 2016 the new contractor was appointed, which was currently on site and is been paid to date.

#### **THE MPAC COMMITTEE RESOLVED ON THE (24 AUGUST 2018)**

1. That the Municipality **MUST LAY** criminal charges against employees involved.
2. That people must **BE HELD LIABLE** and the money must **BE RECOVERED**.
3. That the items must be **WRITTEN OFF** followed by the **DISCIPLINARY ACTIONS**.
4. That the items **MUST SERVE** to the next Council of 4 December 2018.

## **8.1 NYAKALLONG WASTE WATER TREATMENT PLANT**

### **BACKGROUND**

The Municipality entered into agreement for the upgrading of Nyakallong waste water treatment works in 2012 for the amount of **R52 299 552**.

A contractor was appointed in 2012 and paid an amount of **(R8 800 776)** until 2013. The job was unfinished, in 2016 a new contractor was appointed which is currently on site and is been paid to date an amount of **R10 849 612**.

The accumulate amount, including amounts paid to the consultants, expensed on this contract to date is **R29 689 653**. The significant delays on the projects have resulted in unbearable odour to the residential dwelling due to sewerage outflows running across the streets.

### **CHALLENGES**

The un-finished project ended up developed bad smelling due to sewerage flowed across the streets.

### **THE MPAC COMMITTEE RESOLVED ON THE (24 AUGUST 2018)**

1. That the Municipality **MUST LAY** criminal charges against employees involved.
2. That people must **BE HELD LIABLE** and the money must **BE RECOVERED**.
3. That the items must be **WRITE OFF** followed by the **DISCIPLINARY ACTIONS**.
4. That the items **MUST SERVE** to the next Council of 4 December 2018.

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#### **8.2 UNAUTHORISED EXPENDITURE 2016/17**

MR Paradzai was allowed to present further to the committee.

The presentation gave a detailed breakdown on the following.

- Non-cash items
- Eskom interest account
- Bulk purchases and other expenditures

He has continued by giving classification of the irregular expenditure incurred due to transgression of the law below.

- Invalid competitive bidding.
- Deviations not in terms of the requirements of SCM policy.
- 3 quotes not obtained.
- No proof of appointment through competitive bidding processes.
- Service provider operating on month to month contract.
- Supply chain processes not followed.
- Bid committees not composed as per regulations.
- Classification of irregular expenditure whereby non Compliance with supply chain management policy was incurred.

#### **DISCUSSION**

Councillor J Marais and Councillor P Botha questioned the UIF register always in almost every meeting reflecting on the non-active measures of MPAC when it comes to decision making.

In addition, Cllr Masienyane also questioned when is the supply chain going to stamp out non-compliance trends.

He has indicated that time has come to discipline Supply Chain staff with wrong doing.

In response, Mr Tsoaeli Municipal Manager then committed himself to assure the committee that compliance with supply chain regulations will be observed.

The committee has noted that Municipality should familiarise themselves with supply chain regulations in order to strive to attain a favourable audit results.

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### **THE MPAC COMMITTEE RESOLVED ON THE (24 AUGUST 2018)**

1. That the Municipal Manager **MUST GIVE** a monthly report on the manner in which deviations were processed.
2. That the proof of appointment through competitive bidding **MUST FORM PART** of the report.
3. That respective contracts **BE EXHAUSTED** and the right procedures must be followed.
4. That the private security matter **MUST FORM PART** of the report.
5. That the Supply Chain section **MUST BE** restructured.

### **9. CLOSURE**