

**MATJHABENG MUNICIPALITY**

# **MINUTES**

**of**

**MPAC COMMITTEE MEETING**

**Held on**

**TUESDAY, 7 AUGUST 2018**

**at**

**10am**

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

**SECTION A  
PROCEDURAL MATTERS**

<b>1.</b>	<b>OPENING AND WELCOME</b> The Chairperson, Cllr D Masienyane welcomed everyone present and declared the meeting open. Before the presentations starts the chairperson Cllr Masienyane allowed members to introduce themselves.
<b>2.</b>	<b>SIGNING OF ATTENDANCE REGISTER CLLRS</b>  1.Cllr Speelman NW _MLM 2.Cllr Masienyane D _MLM 3.Cllr Botha P _MLM 4.Cllr Marais J _MLM 5.Cllr Mafa D _MLM 6.Cllr Molefi M _MLM 7.Cllr Mosia J -MLM 8.Cllr Poo I -MLM 9.Cllr Nqeobo M _MLM  <b>MANAGER’S</b> Mr L Rubulana Speaker’s office Mr R Senyane – Internal Audit Ms P Sefuthi _Risk Management  <b>EXECUTIVE DIRECTORS</b>  Mr T Makofane -Executive Director Strategic Mr FF Wetes -Executive Director Corporate Support Services Ms Z Tindleni -Executive Director Community Services Mrs B Maswanganyi -Executive Director Infrastructure  <b>OFFICIALS</b> 1. Me. Matshediso Phoko MPAC Secretary 2. Ms Maria Musapelo_Scriber Council Administration

	<b>FEZI</b> Mr P Chiroodza Mr M Mokoena  <b>FREE STATE TREASURY.</b> 1.Mr MH Leburu: 2.Mr Raphael Muza 3.Ms N Modisaesi
<b>3.</b>	<b>APPLICATIONS FOR LEAVE OF ABSENCE</b> Municipal Manager :Mr T Tsoaeli Chief Financial Officer :Mr T Panyani
<b>4.</b>	<b>OFFICIAL ANNOUNCEMENTS</b> None
<b>5.</b>	<b>MOTIONS OF SYMPATHY AND CONGRATULATIONS</b> Councillor Mosia passed the message of condolences to one of our student in the country who committed suicide and the incident occurred in woman's month of August 2018.  Councilor Masienyane have also announced the passing of former Councillor of Matjhabeng Municipality Cllr: Agnes Mathebula who resides in Virginia, members were requested to bow their heads to give last respect.
<b>6.</b>	<b>MINUTES OF THE PREVIOUS MEETING(4 July 2018)</b> Minutes were referred back due to time constraints
<b>7.</b>	<b>MATTERS ARISING FROM THE MINUTES</b> none
<b>8.</b>	<b>DEPUTATIONS AND INTERVIEWS</b> Letsete cellular Corporate Services-Overtime Presentation Fezi -UIF presentation
<b>9.</b>	<b>CLOSURE</b> The Chairperson thanked everybody for their participation and ended the meeting at 11:45am

\_\_\_\_\_  
**CHAIRPERSON**

\_\_\_\_\_  
**DATE**

**UIF PRESENTATION**

**PURPOSE TO PRESENT TO THE MPAC COMMITTEE THE FRUITLESS AND WASTEFUL EXPENDITURE REGISTER FINANCIAL YEAR 2017/18 AND IRREGULAR EXPENDITURE REGISTER 2017/18**

Mr Paradzai explained to the members that he was going to present UIF AND WASTEFUL EXPENDITURE noting that some figures were not on the register, it will reflect on the new financial year.

He have indicated that ESKOM was the biggest contribution for them to unfinished the figures on the register.

He reported the amount of **R165, 708, 431.46** on the Fruitless and Wasteful Expenditure incurred for the period of 2018 due to cash flow items.

**NOTING**

The Committee must decide whether the Council should write off the debt, or the MPAC must investigate the matter but at the end of the day they must deliberate on the matter.

Cllr Botha said that it was better to get the final figure before they can deliberate on the matter A concern was raised by Cllr Marais that irregular cannot be authorized in that regard He have quoted the section 32 of the MFMA as stipulated in the Act, and the matter won't have any influence on the financial statements by the way.

He alluded that in financial statements, they are going to state as Fruitless Wasteful Expenditure whatever they decide that is not going change the financial statements.

Mr Raphael Muza from Free State Treasury reminded the committee purpose of the meeting was to determine if the item is revocable or irrevocable before tabling to Council.

Cllr Marais have indicated that they don't decide on the items to be written off but the Council will determine if the items to write off or not.

Cllr Mosia requested Fezi to provide the pending information as soon as possible.

Mme Nthabiseng Modisaesi proposed if the committee may request the Special Council to deal with the UIF& W register, as that was incurred from the interest charges.

In response Cllr Masienyane said there was nothing to recover in this item and requested members to deliberate on the item.

Cllr Marais made the Committee aware they were reluctant to do that and they need clarity from Municipal Manager and the Chief Financial Officer to advice on this item before they deliberate on it.

Cllr Molefi also stated to the committee members should decide on the item as the money was irrevocable and he proposed the committee to deliberate on this item with no reservation.

Mr Rebhone Senyane disagreed with the statement made above as it won't be easy to deliberate on the UIF & Wasteful item as the register was not completed.

Mr Leburu from Treasury Seconded Cllr Molefi statement and encouraged the committee to be guided by the MFMA regulations especially this irregular and wasteful incurred due to Eskom and water board.

The item was put on hold until Friday 10 August 2018.

**THE MPAC RESOLVED ON THE 7 AUGUST 2018.**

1. That the Municipal Manager and Chief Financial Officer **BE SUMMONED** to account on this matter.
2. That the MPAC **RE-RECOMMEND** that there should not be **RE-OCCURRENCE** of the UIF, and if there will be **RE-OCCURRENCE** thus consequence management be effective in that regard.
3. That MPAC **RECOMMEND** to council for **WRITE OFF**.

**OVERTIME PRESENTATION**  
**TO PRESENT TO THE MPAC COMMITTEE THE OVERALL FINDINGS ON**  
**OVERTIME FOR THE FINANCIAL YEAR 2017/2018**

**BY MRS NOMSA MOSUWE: LETSETE.**

- She presented overtime spent from July 2017 until June 2018 the amount of R70, 707,444.36.
- The overtime cost for financial year was R67, 846, 432.
- Policy requirements for the overtime requirements.
- Basic conditions of employment act.
- Methodology to analyse overtime.
- Root cause of the non- compliance.
- Compensation in a form of time off.
- Corrective measures and internal control

## **SHE PRESENTED THE OVERALL ASSESSMENT ANALYSIS PER DIRECTORATE AND THE HOURS CLAIMED FROM THAT PERIOD BELOW**

- Community Services-317,722
- Infrastructure-308, 413
- Financial Management 13,122
- Corporate Support Services 8,630
- Office of Councilors –8,417
- Local Economic Development -1,612
- Office of the Municipal Manager-1,317

## **DISCUSSION**

The committee took note that some people are working for more than average hours. Cllr Marais raised concern about the figures whether they were correct or not especially in the Political offices.

In response Mme Nomsa ensured the committee that the figures were absolutely correct and some overtime times were forged.

The findings were presented to the office of the Municipal Manager office for the attention.

## **THE EXECUTIVE MAYOR**

He acknowledged the MPAC committee for the good job they are doing.

He showed his concern about the abuse of overtime in the Municipality, he requested Cllr Masienyane to demand a letter of overtime breakdown in the office of Municipal Manager.

He made the committee aware that some overtimes in his offices signatures were forged.

He encouraged the departments to do the shifts and that will assist municipality in terms of overtime reduce.

He alluded that he called people to enquire about overtime, they responded that they have been doing it from 2011 thus create the problem as they relied on it.

Cllr Marais was concern about the figures of the overtime reported were wrong, though Mrs Nomsa ensured him that the figures were absolutely correct as some overtimes were fraudulent and she congratulated Directors who put their feet down to interrogate their departmental overtimes.

In response the Mayor indicated and stressed the case of the employee who was in jail but paid full salary.

**NOTING**

The Executive Mayor have sent the letter to the Municipal Manager seeking the information pertaining to the companies paid without proof of Job been done.

That consequences Management be applied.

That MPAC must take unfamiliar decision for the Managers who are not doing their job and sign unnecessary overtimes.

In response Mr Leburu from Treasury requested Mrs Nomsa to provide the committee with the register of top 10 and to 20 employees of overtime.

He have indicated the findings of 5 people in Supply Chain who are doing nothing and he was concerned about the overtime in Finance of which some people are sitting literally for 10 years with high qualifications.

That all Executive Directors be invited to the next MPAC Meeting with the overtime issue. Mr FF Wetes indicated that the circular has gone out that no other department should work overtime unless service delivery department. No overtime should work without pre approvals.

**MPAC RESOLVED ON THE 7 AUGUST 2018**

1. That the top 10 and to 20 employees of overtime register **BE MADE AVAILABLE** to the Committee.
2. That all Directors **BE INVITED** to the next MPAC to sort out the issue of overtime.

**T16 AND NYAKALLONG**

**IT WAS RESOLVED ON THE 7 AUGUST 2018**

1. That the appointment letter of Mothei and T16 **BE CIRCULATED** to the MPAC Members.

**CLOSURE:** The meeting adjourned at 11:45