



**cogta**

Department:  
Cooperative Governance and  
Traditional Affairs  
North West Provincial Government  
REPUBLIC OF SOUTH AFRICA



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**TO: THE CHAIRPERSON**  
**PC:COGTA,National Assembly**

**FROM: OFFICE OF THE MEC**

**DATE: 28<sup>th</sup> July 2021**

**SUBJECT: PROGRESS REPORT ON RESPONSES TO QUESTIONS POSED BY  
THE COGTA PORTFOLIO COMMITTEE ON THEIR VISIT IN THE  
PROVINCE.**

### 1. PURPOSE

The purpose of this memorandum is to provide the MEC with a response by the Department on questions that were posed by the NCOP portfolio committee on Cooperative Governance and Traditional Affairs oversight visit of the 3<sup>rd</sup> to the 7<sup>th</sup> of May 2021 in the Province.

### 2. Background

The Portfolio Committee responsible for Cogta as from the 3<sup>rd</sup> to the 7<sup>th</sup> of May 2021 were engaged on an oversight visit to the Province. The engagements and their visit with municipalities were scheduled as follows:

DATE	MUNICIPALITIES /PROVINCE	ACTIVITY
3 May 2021	Province	The committee met the Provincial Government Departments of Cooperative Governance and Traditional Affairs and Department of Finance and Economic Development where Presentations on performance of municipalities were presented.
4 May 2021	Bojanala Platinum Districts and its Locals	The committee met with the District of Bojanala Platinum and all its local municipalities accompanied by the Mayors; Speakers, Whips of Council and Chairpersons of the Municipal Public Accounts Committee in Rustenburg Civics Centre.
5 May 2021	Ngaka Modiri Molema District and its Locals.	5 May 2021 the PC met with the District of Ngaka Modiri Molema and all its local municipalities accompanied by the Mayors;

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		Speakers, Whips of Council and Chairpersons of the Municipal Public Accounts Committee in the Legislature Hall in Mmabatho.
6 May 2021	Dr. Ruth Segomotsi Mompoti District and its Locals.	The Committee met with the District of Dr. Ruth Segomotsi Mompoti and all its local municipalities accompanied by the Mayors; Speakers, Whips of Council and Chairpersons of the Municipal Public Accounts Committee in Vryburg Civics Centre.
7 May 2021	Dr. Kenneth Kaunda District and its Locals.	The committee met with the District of Dr. Kenneth Kaunda and all its local municipalities accompanied by the Mayors; Speakers, Whips of Council and Chairpersons of the Municipal Public Accounts Committee in Matlosana City Local Municipality Civics Centre.

### 3. Progress on Responses

The Department of Cogta immediately after the oversight visit drafted a reminder to municipalities reminding them of the dates on which they are expected to respond to the Portfolio committee, the following captures the responsibility of the Province in relation to issues raised by the Portfolio committee to be responded to:

ISSUES TO BE RESPONDED TO:		PROGRESS
1.	Draft a Directive signed by the MEC informing municipalities of the TKL Act coming into effect as from the 1 April 2021, and that councils should change their rules of order in order to accommodate the TKLA.	Directive was drafted and sent to municipalities informing them of the changes brought by effecting the TKLA.
2.	Conduct training of traditional councils on the introduction of the TKLA and the changes made to section 81 of the structures act, and as well as the new roles and participation in municipal councils by traditional leaders.	All traditional councils has been workshopped on the TKLA implementation and the roles expected to be performed by them.
3.	Report on payment arrangements of traditional leaders was requested to be submitted to the Portfolio Committee.	The Department is still communicating to Provincial Treasury about the increase of sitting allowance of Traditional Council members.
4.	The Committee was also interested to be briefed on the Municipal Turn Around Strategy that is being developed by the Department as a turnaround plan to strengthen our support	Final Draft Municipal turnaround strategy has been developed and need to be communicated to municipalities and councils to buy-in of the proposed turnaround strategy. This will be achieved

ISSUES TO BE RESPONDED TO:		PROGRESS
	to our ailing municipalities and traditional councils	by signing of protocol agreements with municipalities in providing the support.
5.	Within 2 months period the MEC must report to the Portfolio Committee on how traditional leader's issues are attended to within the Ngaka Modiri Molema District.	The department is still busy with the turnaround strategy of Traditional Affairs as whole, it is expected that the new strategy will address the challenges experienced currently.

### 3. Summary of Questions Posed to municipalities by the Portfolio Committee on Co-operative Governance and Traditional Affairs.

MUNICIPALITIES NAME		QUESTIONS NEEDING TO BE RESPONDED TO
1	<b>JB Marks LM</b>	<ul style="list-style-type: none"> <li>The Provincial Treasury has indicated that this has been the only municipality in the Province that has consistently failed to comply with the legislated deadlines for the tabling of municipal budgets. What are the challenges leading the municipality to persist with this non-compliance?</li> <li>Can the municipality apprise the Committee on the alleged financial impropriety against some Councilors and officials involving royalties paid towards the municipality by one mining house into a trust fund account being held at Willem Coetzee Attorneys?</li> <li>Are the suspensions of the Municipal Manager in 2019 and the Chief Financial Officer in 2018 still fair and lawful, as these are very long suspension periods?</li> </ul>
2	<b>Maquassi Hills LM</b>	<ul style="list-style-type: none"> <li>What is the municipality doing to capacitate its Municipal Public Accounts Committee to ensure that it is functional? What is the plan to address the backlog of MPAC oversight reports?</li> <li>When the municipality says it has made progress on addressing Cash and Cash Equivalents, Commitments, Distribution Losses and Retentions and Investment Property, what can it show the Committee to prove that indeed progress has been made?</li> <li>Which financial year is the municipality's draft post-audit action plan addressing? How different is the draft plan from previous post-audit action plans and what makes it credible this time? How did the municipality determine the credibility of the draft plan since it has not yet been implemented?</li> <li>What is the deadline for the tabling of all Unauthorised, Irregular, Fruitless and Wasteful expenditure to Council for referral to the MPAC and the Financial Disciplinary Board for investigation? And what is the deadline for the development of the strategy to reduce UIFW during the next three financial years?</li> </ul>
3	<b>City of Matlosana LM</b>	<ul style="list-style-type: none"> <li>In the meeting of 25 November 2020, the municipality reported that it had been without a Mayor for more than a month and this had brought serious instability within the administration. What has been the progress in ensuring that stability in the municipality is restored?</li> <li>The municipality also reported that appointment of members to the Municipal Disciplinary Board had been finalised, but no meetings had yet taken place. Has the Disciplinary Board met since the last meeting with the Committee on 25 November 2020?</li> <li>The municipality had also reported that it had appointed an independent legal and accounting firm to investigate Unauthorised, Irregular, Fruitless and Wasteful expenditure, which recommended</li> </ul>

MUNICIPALITIES NAME		QUESTIONS NEEDING TO BE RESPONDED TO
		<p>that R2.4bn in irregular expenditure should be written off as irrecoverable. At the time of the last meeting, the Report had not yet been finalised at Council. What is the status of this Report now?</p> <ul style="list-style-type: none"> <li>What progress has the municipality made in relation to instituting consequence management in respect to the loss of R21m in the books of the Fresh Produce Market? What is the name of the entity commissioned to conduct the forensic investigation and what is the investigation time frame?</li> </ul>
4	<b>Mamusa LM</b>	<ul style="list-style-type: none"> <li>What is the municipality doing to capacitate its Municipal Public Accounts Committee to ensure that it is functional? What is the plan to address the backlog of MPAC oversight reports?</li> <li>During the meeting of 02 March 2021, the municipality undertook to establish a Disciplinary Board in accordance with Chapter 15 of the MFMA and the Municipal Regulations on Financial Misconduct and Criminal Proceedings. The deadline set was 31 March 2021. Has the municipality followed up on this commitment?</li> <li>During the above meeting, the municipality further indicated that it had submitted a business plan to COGSHTA to solicit assistance with fixing its high sewage spillages and cleaning the sewer network. It was alleged that COGSHTA has been unresponsive to this submission. Is this the case?</li> <li>Regarding the unfinished Ipeleng Housing Project, which has made the community very unhappy, the municipality had informed the Committee that it had sourced a contractor, but the contractor had not yet started with the project. It is now two months later. Has the contractor finally started?</li> <li>A Disciplinary Committee had been expected to give its verdict before the end of March 2021 in relation to the misuse of the R7.3m intended for reconstruction of the portion of Mamusa's main offices that was torched on 01 July 2017. What has been the disciplinary outcome?</li> <li>In the meeting of 02 March, the municipality reported that it had completed less than 50 percent of its post-audit action plans in respect of the 2018/19 audit. What has been the progress to date?</li> </ul> <p>How far is the Province in correcting the erroneous concurrence to the appointment of the MM in Mamusa LM?</p>
5	<b>Kagisano-Molopo LM</b>	<ul style="list-style-type: none"> <li>In a written reply dated 10 March 2021 to the Committee's question during the meeting of 02 March 2021, the municipality indicated that it had no system to assist it with tracing persons who are in the employ of the state but continue to do business with the municipality. It further indicated that it does not have the financial means to procure an electronic system to assist in this regard. Does this mean that the municipality is prepared to carry on contravening the Municipal Finance Management Act and Supply Chain Management Regulations on this issue?</li> <li>Did the municipality follow up on its promise to furnish the MEC with the attendance register proving that the Council meeting that approved the municipality's adjustment budget of R24m was quorate?</li> <li>Did the municipality swear in Councillor Tong by 16 March 2021 as instructed by the Province?</li> </ul>

MUNICIPALITIES NAME		QUESTIONS NEEDING TO BE RESPONDED TO
		<ul style="list-style-type: none"> <li>What action did Council take against the MM who incorrectly assumed its prerogative of appointing an Acting MM? Did Council convene a sitting to correct this mistake, as promised during the meeting with the Committee on 11 March 2021?</li> <li>On 30 April 2019, the municipality agreed to pay IGKM Management Services an amount of R6m, over a period of one year and two months, to investigate Unauthorised, Irregular, Fruitless and Wasteful expenditure from 2013 until 2019/20. Can the municipality furnish the Committee a copy of this investigative Report?</li> </ul>
6	<b>Naledi LM</b>	<ul style="list-style-type: none"> <li>In its previous meeting with the Committee, the municipality indicated that it was not receiving any support from the District in terms of disaster management. Has this been rectified?</li> </ul>
7.	<b>Lekwateemane LM</b>	<ul style="list-style-type: none"> <li>In the meeting of 02 March, the municipality reported to this Committee that Council had appointed an ad-hoc committee to investigate the former Mayor and MM in relation to municipal land that was sold to himself and his wife. The ad hoc committee was still busy with the investigation. What is the progress to date?</li> <li>The municipality also indicated that the recruitment for the positions of Manager: Supply Chain and Chief Financial Officer will be finalized by 31 March 2021. Has this happened?</li> </ul>
8.	<b>Greater Taung LM</b>	<ul style="list-style-type: none"> <li>Can the municipality assist this Committee to understand why it decided to challenge the Public Protector Report on an investigation into allegations of improper conduct and victimisation of alleged whistle blower Mr. Thuso Bloem, resulting in his suspension and consequent dismissal?</li> </ul>
9	<b>Ditsobotla LM</b>	<ul style="list-style-type: none"> <li>What is the municipality doing to capacitate its Municipal Public Accounts Committee to ensure that it is functional? What is the plan to address the backlog of MPAC oversight reports?</li> <li>What has caused the municipality to function without an Internal Audit Unit, and when does it envisage establishing one?</li> <li>The Municipal Manager reportedly created unnecessary tensions in the administration and Local Labour Forum by dismissing more than eleven employees, mostly newly elected SAMWU Shop Stewards, without any disciplinary hearing. Can the municipality clarify this matter?</li> <li>What has been the progress so far in relation to the firm of attorneys appointed to conduct a forensic investigation into the embezzlement and loss of INEP grant funds?</li> <li>What is the status of the municipality's Supply Chain Management function? Has the Head of the SCM been appointed?</li> </ul>
10.	<b>Tswaing LM</b>	<ul style="list-style-type: none"> <li>What has caused the municipality to function without an Internal Audit Unit and Disciplinary Board, and when does it envisage establishing these structures?</li> <li>Most of the municipality's Ward Committees are dysfunctional and there is consequently no effective interactions with communities. Is the municipality doing anything about this, as to encourage public involvement in its affairs?</li> <li>The municipality is among those that have failed to pay over pension fund contributions since 01 April 2020, with a default amount of R27.6m and 228 employees whose pensions have lapsed due to non-payment of the contributions. Ten employees due to retire were precluded from doing so because their pensions are on hold due to non-payment of contributions. How is the municipality addressing this?</li> </ul>

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11.	<b>Mahikeng LM</b>	<ul style="list-style-type: none"> <li>Have the Departments of Cooperative Governance followed up on the matter of the Administrator who has not presented the intervention close out Report to Council?</li> </ul>
12.	<b>Ratlou LM</b>	<ul style="list-style-type: none"> <li>Can the municipality quantify how much it has lost, in monetary terms, due to the high volume of litigation against it?</li> <li>What consequence management cases has the municipality concluded in respect of Unauthorised, Irregular, Fruitless and Wasteful expenditure amounting to R121.2m in 2018/19?</li> </ul>
13.	<b>Ramotsheremoiloa LM</b>	<ul style="list-style-type: none"> <li>What were the circumstances surrounding the suspension of the MPAC manager and the Chief Financial Officer? What is the progress pertaining to the case of the MPAC manager?</li> </ul>
14.	<b>Moretele LM</b>	<ul style="list-style-type: none"> <li>When does the municipality envisage establishing a Disciplinary Board in accordance with Chapter 15 of the MFMA and the Municipal Regulations on Financial Misconduct and Criminal Proceedings?</li> <li>Has consequence management been meted out to the municipal official who reportedly stole a water Jojo tank meant to assist the community?</li> <li>Has the municipality identified the other individuals equally implicated in the VBS Mutual Bank matter, besides the Municipal Manager? Has Council acted on the Disciplinary Hearing Report on this matter?</li> <li>How far is the municipality with regard to implementing the recommendation of the investigation report on the appointment of an ICT service provider through Regulation 32 of Supply Chain Management Regulations?</li> <li>Has the municipality instituted consequences management in relation to the individuals responsible for incurring the fruitless and wasteful expenditure amounting to R15.2m and irregular expenditure to the value of R1.2bn, as indicated in slides 14-16 of the municipality's report?</li> </ul>
15.	<b>Madibeng LM</b>	<ul style="list-style-type: none"> <li>As indicated previously, the municipality's financial situation worsened after it invested R31.5m in VBS Mutual Bank, which was written off as a financial loss. During the meeting of 26 August 2020, it was reported that the Administration was in the process of instituting disciplinary proceedings against implicated officials. A senior manager, who acted as MM at the time when the unlawful transfer was made to VBS, was under investigation. Can the municipality update the Committee on progress made thus far in respect of these matters?</li> <li>The municipality's presentation indicates that it has addressed only 76 or 39 percent of the 197 audit findings in respect of the 2018/19 disclaimer. Why is there such a slow progress in addressing the Auditor-General findings?</li> <li>Can the municipality provide examples of Audit Committee Resolutions, which it has reportedly implemented, as stated on page 13 of the municipality's report?</li> <li>In the meeting of 26 August 2020, the Administrator indicated that there were councillors and officials who owed the municipality for rates and taxes, in contravention of the law. It was reported that the administration wanted to obtain an order to have the monies owed deducted from salaries, and this proposal was tabled to Council. What has been the progress made on this matter?</li> </ul>
16.	<b>BojanalaPlatinum DM</b>	<ul style="list-style-type: none"> <li>According the Report received from the Provincial Government late last year, there has not been any receipt of MFMA Section 71 reports by the Executive Mayor which are obligatory in terms of the Municipal Finance Management Act. The Executive Mayor and her Executive (Mayoral Committee) has never raised the lack of these reports to her</li> </ul>

MUNICIPALITIES NAME		QUESTIONS NEEDING TO BE RESPONDED TO
		Municipal Manager and CFO so that she is on par with the financial affairs of the municipality. What is the current update on this matter?
17.	<b>Moses Kotane LM</b>	<ul style="list-style-type: none"> <li>The Hawks were investigating the appointment of an ICT Company and this investigation was reportedly depleting Council resources as it was expensive. What has been the progress on this investigation, and how much has the municipality spent on this to date?</li> </ul>
18.	<b>Kgetlengrivier LM</b>	<ul style="list-style-type: none"> <li>Has the Municipal Public Accounts Committee tabled the 2018/19 Oversight Report to Council?</li> <li>When does the municipality envisage establishing a Disciplinary Board in accordance with Chapter 15 of the MFMA and the Municipal Regulations on Financial Misconduct and Criminal Proceedings?</li> <li>The municipality has been identified for its lack of a waste management plan, as well as for poor maintenance of landfill sites including non-compliance of the landfill site with environmental legislation. What has the municipality done to address this?</li> <li>Can the municipality take the Committee through the events that led to the Rate payers Association being granted a court order to perform municipal functions?</li> </ul>
19.	<b>Rustenburg LM</b>	<ul style="list-style-type: none"> <li>The Auditor General report has revealed a number of fraudulent transactions in the Supply Chain Management space of the municipality. For example, one service level agreement was signed with a company called R&amp;T on the 2nd March 2018 yet the first invoice of approximately R5m was already received twelve days thereafter, (invoice date 14 March 2018).Has the municipality investigated this?</li> </ul>

#### 4. END OF REPORT.

..... Duly Signed.....

Mmoloki Saviour Cwaile  
MEC: NW CoGHSTA