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COLLINS CHABANE LOCAL MUNICIPALITY

# COLLINS CHABANE LOCAL MUNICIPALITY

COLLINS CHABANE  
LOCAL MUNICIPALITY  
SINCE 2016



OVERSIGHT REPORT  
ON  
2017/2018 ANNUAL REPORT  
TABLED TO COUNCIL BY MPAC  
CHAIRPERSON CLLR MUDAU T.S

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**COLLINS CHABANE LOCAL MUNICIPALITY**

**1. COLLINS CHABANE LOCAL MUNICIPALITY MPAC MEMBERS**

- 1.1 Cllr T.S Mudau (Chairperson)
- 1.2 Cllr Z.W Sunduza
- 1.3 Cllr M.S Thovhakale
- 1.4 Cllr C Radzivhoni
- 1.5 Cllr H.T Makhubele
- 1.6 Cllr H.M Chauke
- 1.7 Cllr N.P Mathonsi
- 1.8 Cllr M.J Baloyi
- 1.9 Cllr S. Muavha
- 1.10 Cllr G.D Masangu
- 1.11 Cllr V.N Mukhomi

**2. THE PURPOSE OF THE REPORT**

The primary objective of this report is to report to Collins Chabane Municipal Council on the findings by MPAC after assessing the content of the 2016/2017 Annual report.

**3. REPORT SUPPORTED BY ALL MEMBERS OF MPAC AS OVERSIGHT COMMITTEE**

- 1.1 Cllr T.S Mudau (Chairperson)
- 1.2 Cllr Z.W Sunduza
- 1.3 Cllr M.S Thovhakale



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- 1.4 Cllr C.M Radzivhoni
- 1.5 Cllr H.T Makhubele
- 1.6 Cllr H.M Chauke
- 1.7 Cllr N.P Mathonsi
- 1.8 Cllr M.J Baloyi
- 1.9 Cllr S. Muavha
- 1.10 Cllr G.D Masangu
- 1.11 Cllr N.V Mukhomi

In assessing the report, MPAC was guided by the following pieces of legislations:

- a) Draft Annual Report 2017/2018 dated 31 October 2018
- b) Report from Auditor General
- c) National Treasury MFMA Circular no. 63
- d) National Treasury MFMA Circular no. 32



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**4. MEETINGS HELD IN ASSESSING THE DRAFT ANNUAL REPORT**

In assessing the annual report, the following meetings were held:

No	Date	Comments
1	12 – 15/02/2019	The MPAC committee of CCLM attended the annual assessment session at MJ Gateway Lodge for three days to scrutinize the draft annual report. The committee was joined by department of COGHSTA, AGSA, SALGA, Provincial Treasury and National Treasury. On the 13 <sup>th</sup> of February 2019, the committee went through the draft annual report to check the errors before presentations by the departments, then followed by presentations from AGSA, COGHSTA and SALGA. On the 14 <sup>th</sup> of February 2019, the committee scrutinised the report by sections and made questions for consideration, this was done with the assistance of Provincial and National treasury. On the 15 <sup>th</sup> of February 2019, the committee recapped on all work done on the previous days and verified all questions, extensive discussions took place. Questions and recommendations were drafted to be submitted to the Municipal Accounting Officer.
2	26/02/2019	The committee met to discuss about the responses on questions submitted to the Municipal Accounting Officer, to make follow-up questions on responses and also to plan a Public Hearing event.
3	12/03/2019	The committee met to deal with all logistics in finalising Public Hearing preparations

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4	14/03/2019	The committee conducted the Public Hearing where stakeholders, other municipalities i.e. Thulamela Local Municipalities and different departments as well as the office of the Auditor General were invited. The Mayor, Municipal Manager and his team responded to all questions raised by MPAC.
5	28/03/2019	The committee met to draft the oversight report.
6	29/03/2019	The committee tabled the oversight report to the council.

**QUESTIONS FOR CONSIDERATION BY MPAC (2017-18)**  
The table below reflect the audit findings and questions.

Items	Audit findings	Questions	Response by Management
<b>By-laws (Mathonsi)</b>	For the year under review 2017/18, 10(Ten) by-laws for planning and development and community services were developed and went for public participation and inputs were received and waiting for the approval.	<ol style="list-style-type: none"> <li>Which are these by-laws?</li> <li>When was it gazetted?</li> <li>Are they newly developed or revised?</li> </ol>	<ol style="list-style-type: none"> <li>Car Wash, SPLUMA, Advertising and Bill Board, Noise Control, Public Open Space, Spaza Shop, Street Trading, Hard Ware storage of goods, Place of Public Worship by laws.</li> <li>By Laws not yet gazetted as the statement is clear to say By-Laws still await Council approval.</li> <li>They are newly developed by-laws.</li> </ol>

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		4. When was it submitted to council for approval?	4. The process of developing by-laws started in 2017/18 however they were submitted to Council of 28 February 2019 as the statement was clear to say waiting Council approval
Roads overview. (Radzivhoni)	The total kilometres of roads within Collins Chabane local municipality is 3465 km which 1049 km are provincial roads, 128 km are national roads and 3465 km belongs to the municipality.	What is the correct figure in terms of total km which belongs to the municipality?	The Municipality has a total number of 2288 km of roads, that are Municipal road out of 3465 km road of which 1049 belongs to the Provincial Government and 128 belongs to National Government



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Electricity (Sunduza)	The municipality does not have a licence to provide electricity. Currently Eskom is responsible for the provision of electricity. For 2017/18 financial year the municipality electrified 850 households at mavandla and 311 households at mavambe/makumeke through funding from INEP, the houses were low cost houses and informal settlements, 20 A (amp) supply was installed in all the houses as per the indigent policy of the municipality. The municipality is planning to apply for an electricity distribution license.	How far are you with the process of applying the electrifying license.	The Municipality has started with the process of the application in 2018/19 Financial year. The meeting was held with MISA and all the required information was submitted to MISA. The Municipality awaits feedback from MISA.
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<p><b>Refuse removal (Masangu)</b></p>	<p>Refuse removal services is rendered at saselamani, Hlanganani and Malamulele daily, employees also make use of brooms to sweep waste at the roads especially at taxi ranks. Type of waste collected are general waste which includes household waste, builders rubbles, garden waste etc..... we don't collect medical and hazardous waste.</p>	<p>1. <b>What is the tariff charge for collecting building rubbles?</b></p> <p>2. <b>What is it that the municipality is doing to avoid illegal dumping?</b></p>	<p>1. Residential R 749.00 Church R 600.00 Business R 1 008.00 Rubbles</p> <p>2. Environmental education and Awareness campaign to educate the community on proper waste management. Anti-littering campaigns at schools. There are plans to develop a by-law in order to enforce and take legal action to those polluting and installation of no dumping sign</p>
<p><b>Landfill site (Chauke)</b></p>	<p>Collins Chabane is using Thulamela Municipality Landfill site for disposal of waste, and we are billed for disposing waste within their landfill site. Xigalo in Collins Chabane is in progress stage. There are two transfer stations from Thulamela which are in Mhinga and Mulenzhe, which are not functional.</p>	<p>1. <b>How far is the progress of developing landfill site at Xigalo?</b></p> <p>2. <b>What is the reason that makes the Mhinga and Mulenzhe stations not to be functional?</b></p>	<p>1. During Mid-Year 2018/19 the designs were completed and the Contractor was appointed. For the year 2018/19 Financial Year the project is intending to construct the fence, ablation facilities, offices and guard room. The actual construction of the landfill site will be done in 2019/20</p> <p>2. The Mhinga and Mulenzhe transfer stations are not licenced due to lack of engineering drawings. The Municipality was advised to first construct the Land fill site before the transfer stations and the Landfill Site</p>



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		<p><b>Follow-up Q - What is it that the municipality is doing to make sure that there are engineering drawings?</b></p>	<p>project will be implemented in three financial years.</p>
<p><b>Vehicle licencing. (Baloyi)</b></p>	<p>The municipality was performing the function of licencing and registration services and the following services were rendered to the community for the year under review.</p>	<p><b>What is it that the municipality is doing to render licencing services in Vuwani area?</b></p>	<p>The Vuwani offices are no longer operating due to Community unrest</p>
<p><b>Planning and development (Muavha)</b></p>	<p>Applications for land use development.</p>	<p>1. <b>Which areas of township are established?</b></p> <p>2. <b>Which are the reasons for outstanding application?</b></p>	<p>1. Malamulele-A, Malamulele-B, Malamulele-C, Malamulele-D, Vuwani, Vuwani-Ext 1, Vuwani Ext 2.</p> <p>2. Land parcels where townships were established are still vested with the Department of Rural Development and Land Reform. The municipality therefore cannot finalize the process without the land parcels having been transferred to the municipality. Furthermore, due to the municipality not having its own SPLUMA by-laws, development applications cannot be processed.</p>



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	<p>Local economic development. LED is an ongoing process which incorporates various stakeholders, identifying local resources and stimulating economic growth. The aim of the LED process is to create employment, alleviate poverty, redistribute resources and most importantly keep money generating in the municipality</p>	<p>1. How many projects which were above 30 m?</p> <p>2. How many local companies have benefitted?</p> <p>Follow-up Q:</p> <p>2.1 How many local companies applied?</p> <p>2.2 Why only one local company benefitted out of 4 projects?</p> <p>2.3 What is the name of the company benefitted?</p> <p>3. How many local sub-contractors have benefitted?</p> <p>4. What criteria did you use to appoint sub-contractors?</p>	<p>1. 4 Projects were above 30m (Civic Centre) DCO Road, Malamulele B and Malamulele D)</p> <p>2. 1 Local company benefitted</p> <p>2.1. 13 Local companies benefitted</p> <p>2.2. The other Local Companies did not comply with requirements</p> <p>2.3. Mkhachani Construction</p> <p>3. 13 local sub -contractors benefitted</p> <p>4. Inform Community through office of the Speaker so that it be cascaded to Wards, the first priority will be given to Community members where the project will have implemented. EPWP policy approved policy is guiding to say only 30 Percent can be sub- contracted</p>
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	<p>LED forum can be defined as a platform (institutional arrangement) where residents (individuals, private organizations, government, NGO's, CBO's, Traditional authorities) within a particular locality gather, with an aim to share information and experiences, pool resources and solve problems which come up in the course of implementing LED projects. The municipality has been functioning without a forum since the inception. The municipality was participating at the district Municipality LED Forum.</p>	<p>When are you intending to have a forum?</p> <p>Follow-up Q: When was the invitation issued?</p>	<p>The Municipality is intending to have LED Forum on the 19<sup>th</sup> March 2019. Invitation already issued.</p> <p>The Invitations were issued from 26 to 28 February 2019</p>
	<p>Expanded Public works Programme. For the year under review 197 EPWP recruits were appointed. The recruited EPWP were mostly employed in the basic service in the Community Services Department.</p>	<p>Who was funding the EPWP, for how long and for how much?</p> <p>Follow-up Q:</p> <p>1. For how long was the EPWP funded?</p>	<p>4. National treasury R 1 000 000.00</p> <p>And</p> <p>Own funding R 3 401 009.93</p> <p>1. The National Treasury of R 1000 000 00 lasted for three months.</p> <p>2. Own funding of R 3 401 009. 03 lasted for 9 months.</p>



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		<p>2. Was the funding of R 3 401 009.03 budgeted for?</p> <p>3. (As Public Works is championing the funding) Did we get the funding from National Treasury or Public Works?</p>	<p>3. Public Works is the custodian of the grant however reporting of all grants is done at National Treasury.</p>
<p><b>Community and Social Services.</b> <b>(Mukhomi)</b></p>	<p>The library function lies with the Department of Culture, Sport and Recreation as required by the Local Municipality has one library situated in Saselamani.</p>	<p><b>How many libraries do we have in Collins Chabane Collins Chabane Local Municipality?</b></p> <p><b>Follow-up Q: Why didn't you include libraries in Olifantshoek (ward 03) and Matsakali (ward 25)?</b></p>	<p>Collins Chabane Municipality has one Library Situated in Saselemani</p> <p>These are the modular libraries located at schools and they are not part of the draft MOU with Department of Sport, Art, and Culture. The service level agreement from the department is only talking of the Saselamani.</p>
	<p>Municipality Buildings; municipal facilities need to be maintained, as most of them don't have water and proper sanitation. Municipal sports buildings facilities need to be renovated.</p>	<p>1. How many municipal buildings do we have?</p> <p><b>Follow-up Q:</b></p>	<p>The Municipality is having six (6) buildings namely; Boxing Gym, Traffic Station, Stores, Civic Centre, Club House and Vuwani</p> <p>1.1 The Municipal Buildings -- Civic Centre, - Boxing Gym, - Malamulele Club House, - Stores, - Vuwani Community Hall.</p>



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		<p>1.1 Can you please submit the names of all municipality buildings and sports facilities?</p> <p>1.2 Do we have a building by the name of Vuwani? Please explain?</p> <p>2. How many buildings and sports facilities needs to be renovated?</p>	<p>- Njhakanjhaka Community Hall, - Vuwani Satellite Offices - Vuwani Traffic Centre</p> <p>Sports Facilities are: - Malamulele Stadium, - Saselemani Stadium, - Merwe Stadium, - Mudavula, - Vuwani Stadium (incomplete) and - Bungeni. Stadium</p> <p>1.2 Yes, the Municipality does have a Vuwani Satellite Offices</p> <p>2. All Six (6) municipal buildings needs to be renovated. The Sports facilities that needs to be renovated are: Merwe Stadium, Bungeni Stadium, Malamulele and Mudavula Stadium.</p>
<p><b>Environmental protection</b></p>	<p>Disability – the office is constantly in interaction and in collaboration with the disability forum, 37 learners are currently attending the learnership programme on plumbing, bricklaying and electrical conducted by DBSA.</p>	<p><b>Are the learners getting stipend?</b></p> <p><b>Follow-up Q: Why are they not getting stipend?</b></p>	<p>No</p> <p>The 2017/18 was only training of people living with disability and they were only given laptops. The 37 people living with disability learnership that is currently taking place are receiving the stipends</p>





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	Women celebration has been held within CCLM and council assisted in identifying and transporting women from different wards to the celebration. Women council is still faced with challenges on programmes hence the structure is not yet active and launched .	<b>Where was the women celebration held?</b>  <b>Follow-up Q: On which date has the celebration took place?</b>  <b>1. Which department organised it?</b>	2017/18 (there was no event for women in Collins Chabane)  The information supplied on the annual report was based on December 2018 instead of 2017/18 and should be corrected in the finalization of the annual report.  Mayor's office together with community Services department.
	Gender and youth council has not yet been launched.	<b>1. When will they be launched?</b>  <b>2. Youth council should have been launched but it was cancelled, what was the reason of cancellation?</b>	<b>1.</b> The Youth Council will be launched on the 1 <sup>st</sup> March 2019 and Gender will be launched on the 20 March 2019. <b>2.</b> Youth Council is now Launched but was supposed to have been launched during 1 <sup>st</sup> quarter but due to shortage of staff and political disruptions it was postponed.
	HIV/AIDS;	<b>Do we have a forum which deals with HIV/AIDS?</b>  <b>Follow-up Q: when will it be launched?</b>	Yes the Municipality is having Technical Aids Council, Local Aids Council and some Wards have established Wards Aids Council. Wards Aids Council was launched on the 4th April 2018
<b>Sports and recreation.</b> <b>(Chauke)</b>	Mayoral club; the Collins Chabane Mayoral soccer challenge was held for the financial year under review.	<b>1. Which teams were playing and how did they perform?</b>	<b>1.</b> In 2017/18 Financial year there was only one game, i.e. the Gauteng based former Bafana-Bafana players and the Limpopo old legends



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	Under 15, Under 19 and open <ul style="list-style-type: none"> <li>• Netball</li> <li>• Under 19 and open</li> <li>• Volleyball and Basketball</li> <li>• Open</li> </ul> <p>Employees sports</p> <p>Indigenous games</p> <p>Sports confederation /council</p>	<b>1.1 If 32 clubs participated, which criteria was used to select these teams?</b>          <b>1.2 Was the tournament sponsored?</b>          <b>1.3 What were the prizes?</b>	<b>1.1</b> Teams were selected based on their affiliation with Collins Chabane SAFA local)  The whole process started with the elimination processes which had ended up with last 32,  - Last 32 Group Stage : 01st & 02nd December 2018 - Last 16 Group Stage : 08th & 09th December 2018 - Quarter Finals (Last 8) : 15th December 2018 - Semi Finals (Last 4) : 16th December 2018 - Losers Finals : 17th December 2018 - FINALS : 17th December 2018  (Attached the attached report)  <b>1.2.</b> Yes, as we partnered with Xigalo hluvukani recreation and sport centre and also with Baloyi Attorney  <b>1.3.</b> Prizes - 1st got R20 000.00
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		<p>1.4 Who won the soccer championship?</p> <p>1.5 Where did the other sporting codes participate?</p> <p>2. Do you have a list of sporting codes?</p> <p>3. Is the sports council launched?</p>	<p>- 2nd got R15 000.00 - 3rd got R10 000.00 - 4th got R5000.00 1.4. Shigamani Football Club</p> <p>1.5. Some participated in the district, province and also at the national</p> <p>2. List of sporting code - Netball - Under 19 and open - Volleyball and Basketball - Indigenous games - Paravolly (Volley ball which is being played by people living with disability</p> <p>Not in year under reviewed (2017/1)</p>
<p><b>Organisational performance. (Masangu)</b></p>	<p>The 2017/18 SDBIP had 76 key performance indicators (KPIs). A total 55 out of 76 KIPs were achieved which results</p>	<p>1. Did all senior managers sign the performance achievement?</p> <p>Follow-up Q:</p>	<p>1. Yes, all Senior Managers signed Performance Agreements.</p> <p>No, Performance Bonuses were not paid as the assessments were not conducted</p>



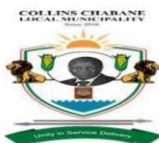
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	<p>to 72% of the SDBIP KIPs being achieved and 21 were not achieved.</p>	<p>1. Were the senior managers paid performance bonuses?</p> <p>2. Was assessment conducted?</p> <p>3. What were the main contributing factors for the 21 non-achieved key performance?</p> <p>4. What steps have the municipality taken to assist what is not achieved?</p>	<p>2. No during 2017/18 Individual assessments were not conducted and the Municipality is planning to conduct the 2018/19 Mid- Year Assessment on the 19<sup>th</sup> March 2019</p> <p>3. Shortage of staff.</p> <p>4. The Municipality filled 11 Managers Positions in September 2018 and continuously filling advertised positions.</p>
<p><b>Property, plant and equipment. (Baloyi)</b></p>	<p>Financial statements of Collins Chabane Local Municipality was materially misstated; municipality did not recognise capital expenditure for assets received from other organs of the state, as required by GRAP 17. The effect on the financial statements was that property, plant and equipment was understated by R1 828 214. Additionally, there was an impact on the gains from transfer of functions.</p>	<p>1. Are all contractors to the municipality rendering services in relation to a property signed contract?</p> <p>2. Do all contracts contain a clear set of indicators, targets and/or deliverables to which the contractor must respond to?</p> <p>3. What is the process of managing contracts within the municipality?</p> <p>Follow-up Q: Can you please tell us the process of managing contracts?</p>	<p>1. Yes</p> <p>2. Yes</p> <p>3. Relevant departments manage contracts.</p> <p>The departments having monthly service level meetings.</p> <p>4. Yes</p>



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		<p>4. Is the process adhered to for each contract?</p> <p>5. What percentage of suppliers (in relation to total rand value) has been paid outside of 30 days of invoice provision?</p> <p>6. What are the reasons for late payment?</p> <p>Follow-up Q: Are these errors not detected upon submission?</p>	<p>5. 5 %</p> <p>6. Late submission, invoice submitted with errors.</p> <p>In most cases errors are not detected upon submission but late when they are already at Expenditure</p>
	Audit action plan.	<p>1. Has the municipality conducted an in-depth analysis of the previous findings with a view to establish the root causes of the findings?</p> <p>2. What role has Internal Audit played in monitoring same?</p> <p>3. Has the municipality developed a plan to address all the root causes of findings of the Auditor-General?</p> <p>4. How has the municipality implemented and monitored the plan?</p> <p>5. Has the municipality ensured that the issue of dealing with AG findings are</p>	<p>1. Yes, the 2016/17 Audit Action was developed and Implemented.</p> <p>2. The Internal Audit was monitoring the implementation of the Audit Action Plan.</p> <p>3. Yes, The Action Plan to address the root causes of the findings.</p> <p>4. As at end of June 2018 the Audit Action Plan was implemented at 73%.</p>



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		<p>reflected and assessed in the performance agreements of managers?</p> <p>6. Is the municipality confident that its measures to address root causes will result in the resolution of the findings will not recur?</p> <p>7. Was there any consequence management that has been applied to any officials who have failed in their duties to remedy previous findings of the Auditor-General?</p> <p>Follow-up Q: What did you do on consequence management?</p>	<p>5. Yes, The Performance Plans for 2018/19 covered External and Internal Audit issues to be addressed by Senior Managers.</p> <p>6. Yes, Management have resolved in developing Interim AFS and to start with the process of developing Audit Files.</p> <p>7. Upon receiving report from MPAC the Municipality will implement consequence Management.</p> <p>The Municipality not yet implemented consequence Management still awaiting MPAC recommendations</p>
Organisational development performance. (Radzivhoni)	<p>The Municipal personnel, turnover and vacancies:</p> <p>Total number of approved posts in organogram = 431</p> <p>Total number of filled posts = 210</p> <p>Total number of vacant posts = 221</p> <p>Vacancy rate = 45%</p>	<p>1. Why are the posts not filled and when are they going to be filled?</p> <p>2. Which criteria did you use to calculate the percentage?</p> <p>3. What caused the terminations and what can be done to prevent these terminations?</p>	<p>1. The Municipality is continuously filling Vacant budgeted post.</p> <p>2. Total number of vacant posts divided by total Organogram posts multiplied by 100 which amount to a Vacancy rate of 52%.</p> <p>3. Termination is due to retirement. There is nothing to be done to stop termination due to age but if the termination was due to greener pastures retention strategy will be applied only on scare skills.</p>



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	Appointments = 172 Terminations = 12 Turnover rate = 68.97%	Follow-up Q: How many employees out of 12 terminated due to retirement?	All 12 employees are all terminated due to retirement
	Policies; council approved human resources policies on the 25 May 2017	1. Are the policies read and implemented? 2. Are the policies in hard copies, soft copies or accessible to internet?  Follow-up Q: Are members of public accessing hard copies of policies?	1. Yes, Policies are read and Implemented. 2. Yes, Municipal Policies can be accessed in soft copies and hard copies and some are also uploaded on the website. Especially Budget related policies  Upon requests
	Injuries, there are 2 reported temporary disablement	1. Please clarify what kind of injury occurred?  Follow-up Q: Are the injured employees part or full time employed? 2. What has been done about it?	1. There 2 Injuries were due to accident.  Yes 2. Registered them with COIDA and waiting for IRP5.
	Sicknesses	How many sick leaves were taken at an overall total?  Follow-up Q: How many workers took sick leave?	267 Leave days were taken  26 workers.



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<b>Financial performance.</b> (Makhubele)	Statement of financial performance; AG reported that things were not good.	1. Was there AFS process? 2. Was there year end process plan? 3. Who prepared the AFS?  Follow-up Q: Are these consultants qualified to prepare the AFS?  4. Was the AFS presented to audit committee?  Follow-up Q: Why was the annual financial statements not submitted to audit committee?  5. How many officials were appointed in budget and treasury office?  Follow-up Q: Do we have people with required skills to do the Job.  6. How many officials are on the organisational structure for budget and treasury? 7. Are there standard operating procedures in the budget office?	1. Yes 2. No 3. Cathu external Consultant  Yes 4. No  They were submitted to Audit Committee on the 26 August 2018 and the Chairperson of MPAC attended the meeting. 5. 11  Yes, the officials in Budget and Treasury are having required skills to do the job however there is shortage of staff. 6. 46 7. Yes 8. Yes
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		<p>8. Did the municipality respond to the issues raised by the AG?</p> <p>Follow-up Q:</p> <p>8.1 Who was to account to the issues raised by AG?</p> <p>8.2 Were the supporting documents requested by AG submitted?</p> <p>9. Do we have audit plan?</p> <p>10. Why did income or revenue decrease so much from last financial year 2016/17?</p> <p>Follow-up Q: Did the municipality collect in Vuwani before?</p> <p>11. Do we use the budget as the main tool?</p> <p>12. Why was there a difference between the opening and closing balance? Please explain the difference of closing balance of 523,040,775 and the opening balance of</p>	<p>8.1 Management Team</p> <p>8.2 Yes, the documents requested by AG were submitted</p> <p>9. Yes</p> <p>10. The collection for last year went down, as the municipality was unable to collect from Vuwani Area, the municipality's credit control policies were not implemented due to under staff.</p> <p>No</p> <p>11. Yes</p> <p>12. The municipality uses the system called Munisoft to do the daily operation but when it comes to preparation of AFS we are using different system called CASE WARE. So when we pull the report we have to map it or link it on the other system, so</p>
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		<p>500,765,971. Where is the difference of 22,274,804</p> <p>Follow-up Q:</p> <p>12.1 The question was not answered, where is the difference of 22,274,804?</p> <p>12.2 Didn't you notice or see the errors before submitting to AG?</p> <p>12.3 Can you please submit the evidence of the difference of 22,274,804?</p>	<p>unfortunately because our AFS was not reviewed this resulted to submit the AFS with errors.</p> <p>12.1 The difference of R 22 274 804 is still in the closing balance as it was not copied correctly to be the opening balance.</p> <p>12.2 Unfortunately, we did not see the error before submission.</p> <p>12.3 Yes the evidence will be submitted to the MPAC Researcher</p>
	Statement of comparison of budget and actual amounts,	<p>1. How has the municipality managed?</p> <p>2. Have any debts been written off? If so what are the circumstances.</p> <p>3. Did the municipality have any investments? How much was invested and how much was the interest paid?</p>	<p>1. The Municipality compared the actual spent with approved budget</p> <p>2. The council approved an amount of R83 m to be written off but due to system challenges the amount was not written of on the system but reported to AG.</p> <p>3. Yes. R 260 Million, Only</p> <p>R 4 845.581.90 was received and</p>

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		<p><b>Follow-up Q:</b></p> <p><b>3.1 Which institutions was the money invested to, for how long and how much was the interest thereof?</b></p> <p><b>3.2 Did you follow the investment policy?</b></p> <p><b>3.3 Please submit detailed report on investments.</b></p> <p><b>4. If the invested money is not received how did you treat it in financial statements?</b></p> <p><b>5. What is the revenue base of the municipality?</b></p> <p><b>6. Is the municipality charging the tariffs according to rates approved by the council?</b></p> <p><b>Follow-up Q: Why were you still using the old tariffs?</b></p>	<p>R 2 410 520 was not received.</p> <p>3.1 VBS and FNB, 3 months, R 250 Million</p> <p>3.2 Yes</p> <p>3.3 Yes, the report will be submitted to the MPAC Researcher</p> <p>4. It was reported as Liability however it was supposed to have been impaired.</p> <p>5. The revenue base of the Municipality is service charges and rental of facilities and the Municipality is planning to sell sites to increase its revenue</p> <p>6. Yes though AG picked some accounts which were still using the old tariffs. Because on the reconciliation of the rate tariff this tariff was not picked during the reconciliation so it remain on the system and it billed the refuse with the old rate.</p>
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**COLLINS CHABANE LOCAL MUNICIPALITY**

<b>Vehicles. (Mukhomi)</b>	During the presentation made by AG, two vehicles brought to Collins Chabane LM were taken back to makhado.	<p><b>1. Why were they taken back?</b></p> <p><b>Follow-up Q: Did you give evidence to AG to show that these cars were not part of assets to be transferred to CCLM?</b></p> <p><b>2. Did the municipality follow the asset management policy?</b></p>	<p>1. Makhado reported that the cars were not part of the assets to be transferred to Collins chabane.</p> <p>Yes</p> <p>2. Yes.</p>
	AG also reported that there are people who did not disclose	<b>1. What measures does the municipality have to deal with people who did not disclose?</b>	To investigate the matter and take action where necessary.
<b>UIF (Sunduza)</b>		<p><b>1. Did the municipality incur UIF in the 2017/18 FY?</b></p> <p><b>2. What measures have been taken to prevent the re-occurrence of such expenditure?</b></p> <p><b>3. What plans does the accountant have in all instances of these expenditures?</b></p>	<p>1. Yes</p> <p>2. On the issue of late payment Management agreed that Invoices to be centralized and submitted to Expenditures and Compliance with Legislative framework when utilizing a Section 32 appointments in future.</p> <p>3. Accountants to Verify submitted information and acknowledge receipt of such before and communicate urgently to the end user if there is any missing information</p>



**COLLINS CHABANE LOCAL MUNICIPALITY**

**5. RECOMMENDATIONS AND CONCLUSION**

MPAC would like to commend the Mayor, Municipal Manager and Directors for the support provided during the engagement processes. The content of the Annual Report has been interrogated and found to be compliant with all legislative guidelines. MPAC is pleased that all the recommendations made to the Annual Report has been captured.

MPAC would like to appreciate the cooperation and support received from the Mayor, Municipal Manager and all Directors during the Public Hearing.

**It is therefore recommended that Collins Chabane Local Municipal Council adopt the Annual Report 2017/2018 without any reservation and place the report on the municipal website for public consumption.**

MPAC also recommend that corrections be done on the following pages

1. Page 2 and 3 – numbering.
2. Page 8 – clarity on the road designs.
3. Page 9 – No vision and mission, no future actions and public participation.
4. Page 11 – no statistics of human births and deaths.
5. Page 38 and 39 – correct number of ward committees.
6. Page 41 – font and spelling (3.6).
7. Page 42 – website dates.
8. Page 47 – figures should be put in the right column.
9. Page 54 – numbering should be corrected.

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**CONCLUSION.**

The MPAC committee wishes to extend its gratitude to the following parties:

- The Management for the support to the committee during its operations, and for the relevant documentation the committee received.
- The Acting MM for his interventions to enable the committee to deliver on its mandate.
- The corporate services department for assisting in coordinating all MPAC activities.
- The speaker for giving MPAC positive support all the times.

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Chairperson

28 March 2019

Date