

A 68 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MPAC OVERSIGHT REPORT ON THE 2019/2020 3RD AND 4TH QUARTER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) REPORTS.

(E/C 2021 04 30; 2021 04 30)

(12/2/3/1/1)

REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
CHAIRPERSON: COUNCILOR DG MKHABELA.

PURPOSE OF THE REPORT

The purpose of the report is to table before Council, the Municipal Public Accounts committee's oversight report on the 2019/2020 3rd & 04th quarter SDBIP Reports.

BACKGROUND

The 2019/2020 3rd Quarter & 04th quarter SDBIP Reports were referred to the Municipal Public Accounts committee by Council on the 04th February 2020 for oversight processes by the committee.

DISCUSSIONS

The Municipal Public Account Committee perused both the 2019/2020 3rd and 04th quarter Service Delivery Budget Implementation Plan reports and crafted clarity seeking questions which were submitted and responded to by the management. The responses by the management provided clarification in various aspects of concern by the committee and which includes;

- Attendance of Supply Chain Management Committees (BSC, BEC and BAC) meetings by the Internal Audit.
- Targets on the training of Municipal employees not being met.
- Theft of Council assets
- The fast-tracking of the projects scope of work and project construction.
- Penalties issued against non-performing Service Providers, etc.

CHALLENGES PER DEPARTMENT AS OUTLINED IN THE REPORTS (3RD & 04TH QUARTER SDBIP REPORTS)

Municipal Manager	Corporate Services	Budget & Treasury	PED / GTEDA	Community Services	Electrical Engineering	Engineering Services
<ul style="list-style-type: none"> • Rep forum meetings were postponed due to other council commitments 	<ul style="list-style-type: none"> • Targets set for training of employees were not met. 	<ul style="list-style-type: none"> • Creditors still not paid within 30 days due to cash flow constraints. 	<ul style="list-style-type: none"> • Measurement included in the IDP only measures year-end result of GTEDA initiatives 	<ul style="list-style-type: none"> • High incidence of theft of municipal infrastructure 	<ul style="list-style-type: none"> • Electrical losses are still a concern a situation which is worsened by the challenges with meter reading. 	<ul style="list-style-type: none"> • Low spending of MIG funding due to delays in project implementation
<ul style="list-style-type: none"> • Service providers appointed do not include internal audit services 	<ul style="list-style-type: none"> • Delay in the review of the organogram due to the reluctance of 		<ul style="list-style-type: none"> • Budget constraints 	<ul style="list-style-type: none"> • Traffic law enforcement not yet issuing the targeted 		<ul style="list-style-type: none"> • Rain damage that resulted in work that must be redone

	<p>unions to participate in the process.</p>			<p>number of direct summons and fines issued are not paid by offenders</p>	
<ul style="list-style-type: none"> • The budget allocated to the procurement of an electronic audit system was moved during the budget adjustment to 2022/23 			<ul style="list-style-type: none"> • Spatial planning capacity at GTM was reduced due to resignation of a Town planner 		<ul style="list-style-type: none"> • Slow supply chain procedure in appointing contractors

financial year.						

ASSESSMENT OF THE PERFORMANCE OF SERVICE PROVIDERS FOR 03rd and 04th QUARTER SDBIP REPORT 2019/2020

During the perusal of both the 1st quarter Progress report and Mid-Year Budget and Assessment Report 2019/2020, the committee observed that the performance of most of the service providers were satisfactorily as the service provider deliver on the requirements as per the Service Level Agreement. The following are the few that have challenges in discharging the work satisfactorily:

1. Baatshuma (Pty) Ltd – meter reading service

Council is not receiving all consumption readings for billing purposes. It is indicated that 2nd quarter improved slightly.

2. Kunene Makopo

Delays in turnaround time to process certain claims. Also the slow payment of claims. The challenge emanates from the previous quarter which does not indicate improvement.

3. Mapheto Business Services

The service provider is appointed to provide physical security and guarding of municipal assets, officials and councillors. They do not perform the following duties as per the SLA:

- Not protecting the staff and councillors and municipal premises.
- Not paying or replacing of lost assets
- Allowed inflammable liquid to enter the municipal premises which puts both the Councillors, employees, clients and the municipal assets in high risk.

4. Fidelity Cash Solutions

- Are contracted to collect and bank municipal cash. The challenge is the service provider not depositing daily at the bank, which is against the municipal policy. Sometimes they do not collect cash, citing vehicle challenges, they also use many deposit books which confuse municipal revenue staff.

PROJECT SITE VISIT BY THE COMMITTEE.

Project name	Lenyenye Taxi Rank	Upgrading of Lenyenye to Khujwana Access Road	Nelson Ramodike High School Access.	Upgrading of Matapa to Leseka Access Road.
Issues	Findings			
1.Progress (previous) report from PMU/council	Complete. The project is handed over and on defects liability period. The project is only awaiting connection of electricity by Eskom. Drilling and equipping of the borehole is complete.	Complete. The projects on defects liability period.	The contractor has paved 3.1km and completed the base up to 5km. There were lots of damages due to rain on site and the contractor is busy redoing the base. And they are also busy with kerbing and V-drains.	The Contractor has primed 1.3km on road 1 and surface 1,2km and primed 60m on road 2 and surfaced 20m. On road 3 and 4 the contractor is busy with layer works. There are lots of stoppages on site due to rain, and the contractor is redoing the layer works due to rain.
2.Registered amounts <i>(progress report for MIG district monthly meetings)</i>	R12, 005, 088, 00	R38, 257, 977, 97	R39, 954, 239, 98	R 46, 559, 706, 39
3.Project starting & Completion dates	06/11/2019	29/10/2018 –	07/08/2019 -	08/08/19

4. Progress on site (physical & financials)	Complete, on defect liability period	Complete, on defect liability period	The contractor has paved 3.1km and completed the base up to 5km.	The Contractor has primed 1.3km on road 1 and surface 1,2km and primed 60m on road 2 and surfaced 20m. On road 3 and 4 the contractor is busy with layer works.
5. Variation orders if any (processes & procedures)	None	None	None	None
6. Initial completion date	06/11/2020	28/05/2020	08/08/2021	23/09/2020
7. Revised completion date if any	N/A	N/A	N/A	N/A
8. Date for handing over	Not indicated in the report	Not indicated in the report	Not indicated in the report	Not indicated in the report
9. Participation of communities through (Ward Cllr; Community Liaison Officer, Project Steering Committee, Traditional Leaders, labourers)	Yes	Yes	Yes	Yes
10. Was there any Social Facilitation arranged?	Yes	Yes	Yes	Yes
11. Was there any sub-contraction for local contractors in the project?	No	Yes	Yes	N/A

12. Workmanship (quality of services delivered as reported by Resident Engineer).	Good	Good	Good	Good
13. Relationship between Contractor and Engineer	Good	Good	Good	Good
14. Comments from PMU/PSC/Engineer/Contractor/ Coghsta on the work being done.	Good	Good	Good	Good
15. Challenges and recommendations for improvements	N/A	N/A	N/A	N/A
16. Workmanship (quality of services delivered as reported by Resident Engineer).	Good	Good	Good	Good
17 Overall comments by the committee	Upon project site visit on the 04 March 2021, the committee observed that, the project was completed with a few issues to be attended to, such as paving next to the palisade fence to ensure that there is	The project is complete. The observation by the committee is that there is a need for v-drains to deal with flooding of water to the nearby households.	The project is in progress with rain delaying the progress of the work. The committee observed that the contractor is doing a good job; however, the delay in delivering the materials also delays	There are a lot of challenges on the project ➤ The road is behind schedule ➤ There are no danger tapes to indicate to cordon off the areas where there are supposed to be bridges, which is a danger to people and animals.

	no overgrowing of grass and weeds around the fence. The other issue the committee observed is theft of copper pipes on the ablution facilities. They were stolen, and it was observed that it will be better to utilize plastic pipes in future to address the matter.		the progress of the project.	➤ Stone pitching and v-drains are needed urgently as the bridges will be overflowing into people's yards.

The committee also conducted project site visit on the INEP electricity projects in ward 05, 06 and 13, and the report was tabled in Council on the 04th February 2021. The committee wanted to satisfy itself on the responses provided during the perusal of the 2019/2020 1st quarter SDBIP report and 2019/2020 Mid-year report. The observation by the committee is that the responses provided correspond with the projects visited and verified. The only challenge the few households were experiencing, was the inability to purchase electricity and were advised through the enquiry with the electrical engineering department to contact Eskom for assistance

RECOMMENDATIONS

1. That Council approves the oversight report on the 2019/2021 3rd & 04th quarter Service Delivery Budget Implementation plan reports with the following recommendations:
 - a) That the Accounting Officer intensify monitoring of the service providers to ensure that council infrastructure is protected, and the municipality receives value for money.
 - b) That the Service provider responsible for the safety of the municipal infrastructure and personnel be made liable to pay for theft of assets stolen under their watch.
 - c) That the Corporate Services Director ensures that targets set for training of employees and councillors are met, and the capacity building is done in the municipality.
 - d) That Matapa Leseka access road be monitored to ensure the safety of both animals and human beings, since there are many open spaces that can result in accidents.
 - e) That the Leseka to Matapa Access Road be completed within the extended period of the 30 April 2021

FOR CONSIDERATION