

# **SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

*of the*

## **NEWCASTLE MUNICIPAL COUNCIL**

MINUTES OF THE SPECIAL MEETING OF THE  
NEWCASTLE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
HELD IN THE EXCO ROOM, MUNICIPAL BUILDING, SCOTT  
STREET, NEWCASTLE ON TUESDAY,  
14 MARCH 2017 AT 09:00

## MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

SPECIAL MEETING : 14 MARCH 2017

### ATTENDANCE REGISTER

#### PRESENT

|            |   |   |          |   |             |
|------------|---|---|----------|---|-------------|
| Councillor | M | E | Ngcobo   | : | Chairperson |
| Councillor | N | P | Kunene   |   |             |
| Councillor | A | P | Meiring  |   |             |
| Councillor | S | G | Miya     |   |             |
| Councillor | S | J | Nhlapho  |   |             |
| Councillor | S | E | Shabangu |   |             |
| Councillor | M | W | Twala    |   |             |
| Councillor | T | M | Zulu     |   |             |

#### ABSENT WITH APOLOGY

|            |   |   |          |
|------------|---|---|----------|
| Councillor | B | S | Dlamini  |
| Councillor | M | S | Mlangeni |
| Councillor | L | G | Thwala   |

#### VACANCY

Ward 23

#### OFFICIALS IN ATTENDANCE

|   |   |     |   |   |                 |
|---|---|-----|---|---|-----------------|
| Municipal Manager   | : | Mr  | B | E | Mswane          |
| Strategic Executive Director : Community Services         | : | Mr  | M |   | Sithole         |
| Strategic Executive Director : DP&HS                      | : | Ms  | N |   | Thusi           |
| Strategic Executive Director : Electrical/Mechanical Ser. | : | Mr  | L |   | Zincume         |
| Acting Strategic Executive Director : Corporate Services  | : | Ms  | N |   | Vinkhumbo       |
| Acting Strategic Executive Director : BTO                 | : | Mr  | S |   | Nkosi           |
| Chief Audit Executive                                     | : | Ms  | S |   | Chenia          |
| Manager : Monitoring and Evaluation                       | : | Mrs | N |   | Ticka-Ragunanan |
| Manager : Contracts                                       | : | Mr  | Q |   | Zwane           |
| Student   | : | Mr  | S | N | Gamede          |

**1 : OPENING**

The Chairperson requested Cllr. N.P. Kunene to open the meeting with prayer.

**2 : APPLICATIONS FOR LEAVE OF ABSENCE**

**NONE**

**3 : OVERSIGHT REPORT : 2015/2016 : (MM 6/1/1 - 2015/2016)**

The Manager : Monitoring and Evaluation presented the Oversight Report, she informed the committee that the report is the final major steps in annual reporting process of a municipality and further advised that the oversight report would be prepared as per the guidelines prepared by National Treasury (MFMA Circular N°. 32), thereafter the committee engaged and made the following amendments as per the checklist consideration of the annual report.

**(i) Newcastle Municipality Annual Report 2015/2016****RESOLVED**

- (a) That MPAC propose an Oversight Policy to Council but for the purpose of this Oversight report, the MFMA Circular N°. 32 be utilised and approved by Council accordingly;

MM

**(ii) Financial matters**

The committee raised concerns with regards to misstatements, further the committee enquired the status quo with regards to law suits mentioned in the Auditor-General report with specific reference to the financial implications, thereafter, it was

**RESOLVED**

- (a) That controls be implemented to ensure that misstatements do not recur in future;
- (b) That regular reconciliations be done by the Assets Section to address misstatements;
- (c) That as opposed to using consultants, the vacant positions in the Assets Unit be prioritised to be filled immediately;
- (d) That consideration be given to the appointment of a member as part of the Audit Committee with IT skills;

MM

- (e) That a report regarding law suits mentioned in the Auditor-General report be submitted to the next scheduled MPAC meeting.

MM

**(iii) Material losses and impairment, water and electricity losses**

The committee raised concerns with regards to the municipal control with regards to water and electricity losses such as the aged infrastructure and further acknowledged the WCDM programs for water, thereafter, it was

**RESOLVED**

- (a) That programs to fast-track the rehabilitation of ageing infrastructure be prioritised;
- (b) That a policy on conversation be submitted for approval and be fast-tracked accordingly;
- (c) That the WCDM program be fast-tracked;
- (d) That business plans be compiled and submitted to funders in support of the WCDM program, and that the Executive Committee approves same to fast-track funding;
- (e) That Council prioritise on high water loss areas with the available funding;
- (f) That the maintenance budget allocation not be compromised for basic service delivery infrastructure;
- (g) That the development of a master plan water and sanitation and roads and stormwater as well as electricity by March 2018 be prioritised.

**(iv) Revenue enhancement**

The Committee expressed their concerns with regards to lack of controls pertaining to the municipal revenue collection and the current strategy to enhance revenue.

**RESOLVED**

- (a) That an action plan to improve the payment factor to address poor collection as per the credit control policy be accelerated by the RITT;
- (b) That a progress report on (a) above be submitted to Council and further (a) becomes a standing item on the Executive Committee agenda;
- (c) That indigent verifications be fast-tracked;

MM

- (d) That a community outreach program on the implementation of debt collection strategies be rolled out administratively, through ward committees systems and public meetings. MM

(v) **Assessment by the Accounting Officer an any matters on municipal taxes and services charges including municipal entities**

**RESOLVED**

That this matters on municipal taxies and service charges including municipal entities be referred to Council for further discussion. MM

(vi) **Particulars on corrective action taken or to be taken in response to issues raised in the audit report**

The committee expresses concerns with regards to re-occurrence of issues on the Auditor-General report, thereafter, it was

**RESOLVED**

- (a) That monitoring and reporting processes be implemented to ensure the implementation of the management action plan to Auditor-General findings;
  - (b) That in the event of CoGta inputs being received, the action plan be revised accordingly;
  - (c) That irregular, fruitless and wasteful expenditure action plan be monitored by MPAC.
- MM

**DATE OF NEXT MEETING**

The MPAC adjourn and reconvene on 15 of March 2017 at 08:00.

**CLOSURE**

There being no further business to discuss, the meeting concluded at 14:00.

**CONFIRMED**

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

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