



nelson mandela bay
M U N I C I P A L I T Y

OVERSIGHT REPORT ON 2023/24 CONSOLIDATED ANNUAL REPORT

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FOREWORD BY THE CHAIRPERSON OF MPAC

The Local Government: Municipal Finance Management Act (MFMA) (No. 56 of 2003) assigns specific oversight responsibilities to the NMBM Council to develop and adopt the Nelson Mandela Bay Municipality's Annual Report. The NMBM Council has subsequently established a Municipal Public Accounts Committee (MPAC) to provide the appropriate mechanism through which it can fulfil its oversight responsibilities on the Municipality's Annual Report.

The Draft 2023/24 Annual Report was tabled in Council for consideration on 30 January 2025 and was subsequently referred to MPAC for interrogation and the drafting of an oversight report. Several meetings were held by MPAC to assess the Draft 2023/24 Annual Report.

MPAC noted the regression in audit outcome from Unqualified Audit Report in 2022/23 to the Qualified Audit Report received in the 2023/24 financial year. This is a major setback after the Municipality had recovered from 12 years audit qualifications. Other concerns raised include the low levels of conditional infrastructure grant expenditure with its resultant effect on service delivery. MPAC has made recommendations to address the identified issues across Key Performance Areas. Implementation of the recommendations will be closely monitored by MPAC through its quarterly meetings.

My sincere appreciation is extended to the members of MPAC for their contribution, dedication and hard work in ensuring that this report was compiled and tabled in Council on time.

In addition, I would like to thank the administration for their support in drafting this Oversight Report.



**COUNCILLOR I F RANYELE
(MPAC CHAIRPERSON)**

1. PURPOSE

The purpose of this Oversight Report is to present to Council the observations made by the Municipal Public Accounts Committee (MPAC) and its recommendations in respect of the Nelson Mandela Bay Municipality's Draft 2023/24 Annual Report.

2. INTRODUCTION

Section 121(1) of the MFMA mandates municipalities and their entities to prepare an annual report for each financial year. Furthermore, the MFMA requires the Council of a municipality to deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control within nine months after the end of a financial year.

Section 121(2) of MFMA outlines the purpose of the Annual Report as follows:

- To provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates.
- To provide a report on performance against the budget of the municipality or municipal entity for that financial year.
- To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

Section 129(1) of MFMA further requires the council of a municipality to adopt an oversight report containing the council's comments on the annual report.

The Draft 2023/24 Annual Report of the Nelson Mandela Bay Municipality was presented to Council on 30 January 2025 and was subsequently referred to the MPAC for review. The MPAC assessed the contents of the Draft 2023/24 Annual Report and made recommendations to Council for consideration. The MPAC's deliberations on the Draft 2023/24 Annual Report resulted in this Oversight Report.

The following processes were followed by the MPAC in assessing the Draft 2023/24 Annual Report:

- Holding several MPAC meetings to review the Draft 2023/24 Annual Report.
- Inviting, receiving and considering inputs from stakeholders.
- Holding public hearing on the Draft 2023/24 Annual Report.

3. COMPOSITION OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The MPAC membership which proportionally represents the political parties in Council is constituted as follows:

TABLE 1: COMPOSITION OF MPAC

NO	NAME	POLITICAL AFFILIATION
1	Councillor Ranyele I F (Chairperson)	African National Congress
2	Councillor Engelbrecht, G J S DA Whip	Democratic Alliance
3	Councillor Grootboom, L P ACDP Whip	African Christian Democratic Party
4	Councillor Koko, N N	African National Congress
5	Councillor Maswana, N I	African National Congress
6	Councillor Ngakula, N E	African National Congress
7	Councillor Peter, L	African National Congress
8	Councillor Qwazi, N EFF Whip	Economic Freedom Fighters
9	Councillor Senekal, W	Democratic Alliance
10	Councillor Steyn, M G	Democratic Alliance
11	Councillor Von Buchenroder, M R	Democratic Alliance
12	Councillor Vasco, Z	Democratic Alliance
13	Councillor Mabuda, S M	African National Congress
14	Councillor Mfana, L	African National Congress
15	Councillor Notshe, X L ANC Whip	African National Congress

The MPAC is made up of only non-executive Councillors as per the MFMA Circular No.32, and municipal officials are not members of MPAC. However, the Accounting Officer and senior managers are required to attend all MPAC meetings to account in their respective areas of responsibilities. All meetings of MPAC are open to the public, and timely notice of meetings are given to enable representations to be made.

4. TIME CONSIDERATIONS

TABLE 2: MEETING SCHEDULE

NO	TIME	DATE	VENUE
1	12:00	04 February 2025	Virtual
2	10:00	11 February 2025	Council Chambers, City Hall (Gqeberha)
3	10:00	18 February 2025	Council Chambers, City Hall (Gqeberha)
4	11:00	06 March 2025	Council Chambers, City Hall (Gqeberha)
5	14:00	18 March 2025	Council Chambers, City Hall (Gqeberha)
6	10:00	19 March 2025 (Public hearing)	Feather Market Centre, 86 Baakens St (Gqeberha)
7	10:00	25 March 2025	Council Chambers, City Hall (Gqeberha)

The MPAC adopted its Roadmap for reviewing the Draft 2023/24 Annual Report on 04 February 2025.

5. LEGAL FRAMEWORK

Circular No. 32 of the MFMA recommends that Council should consider the establishment of an Oversight Committee under Sections 33 and 79 of the Municipal Structures Act (1998). The Circular states that this Committee and, if needed, sub-committees, could be responsible for the detailed analysis and review of the Annual Report and subsequent drafting of an Oversight Report that may be taken to Council for discussion. According to this Circular, such committee may receive and review representations made by the public and seek inputs from other Councillors and Council Portfolio Committees.

In terms of Section 129(1) of MFMA, the council of a municipality must adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council has:

- (a) approved the annual report with or without reservations;
- (b) rejected the annual report; or
- (c) referred the annual report back for revision of those components that can be revised

6. PUBLIC PARTICIPATION IN THE OVERSIGHT PROCESS

Section 130 (1) of MFMA stipulates that the meetings of a municipal Council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organ of state.

The MPAC adopted the following steps to promote public participation in the annual report oversight process:

- Inviting written responses on the Draft 2023/24 Annual Report from the local community and state organizations.
- Making all MPAC meetings on the Annual Report public.
- Holding a public hearing on the Draft 2023/24 Annual Report.

The initiatives implemented by MPAC to promote public participation in the oversight process are summarised in the table below:

TABLE 3: PUBLIC PARTICIPATION PROCESS

MECHANISM TO PROMOTE PUBLIC PARTICIPATION	STATUS	COMMENTS
Invitation to public to submit comments on the Annual Report	Done	The public was invited through an advertisement published on 12 February 2025 to submit comments on the Draft 2023/24 Annual Report to the Municipality.
Make public all meetings of Council's Oversight Committee that will consider the Annual Report	Done	The MPAC adopted Roadmap was advertised on 12 February 2025 inviting the public to its scheduled meetings for discussing the Draft 2023/24 Annual Report.
Annual Report printed and distributed to municipal offices for access by local communities.	Done	Copies of these reports lie open for inspection at all municipal libraries and customer care centres and were also published on the municipal website (www.nelsonmandelabay.gov.za).
Holding a public hearing on the Draft 2023/24 Annual Report	Done	A public hearing on the Draft 2023/24 Annual Report was held on 19 March 2025.

7. OVERSIGHT COMMITTEE RECOMMENDATIONS

The discussions and recommendations of MPAC were presented in accordance with the following identified areas in the Draft 2023/24 Annual Report.

- Area 1** Volume I: Annual Report Executive Summary, Governance, Service Delivery Performance, Organisational Development, Financial Performance and Auditor-General's Audit Finding.
- Area 2** Volume II: Audited (Consolidated) Financial Statements
- Area 3:** Volume III: Audit Report by the Auditor-General
- Area 4:** Volume IV: Audit Committee Report
- Area 5:** Volume V: Report on Entity – Mandela Bay Development Agency

TIMEFRAME CONSIDERATIONS

Implementation of the recommendations in this Oversight Report will be monitored by the MPAC through its ordinary and quarterly report meetings in line with the timelines indicated below.

7.1 OVERSIGHT COMMITTEE RECOMMENDATIONS

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
Volume I: Annual Report Executive Summary, Governance, Service Delivery Performance, Organizational Development, Financial Performance and Auditor-General's Audit Finding.	1	The following matters were raised as concerns by the Committee: <ul style="list-style-type: none"> • Implementation of an automated system for record keeping and other financial processes including awarding of tenders. • Complete implementation of mSCOA • Capacitating the Supply Chain Management unit. 	(a) That the Chief Financial Officer conducts a feasibility study on the implementation of a fully automated system to deal with the supply chain issues in the Nelson Mandela Bay Municipality. (b) That a report per (a) above be submitted to MPAC upon completion thereof. (c) That an Oversight visit to the Supply Chain Management Unit be conducted to gain an understanding of the circumstances there. (d) That directorates submit plans to ensure maximum spending on repairs and maintenance at the next ordinary meeting of MPAC.	Chief Financial Officer Chief Financial Officer Chairperson MPAC All Executive Directors	2 September 2025 2 September 2025 24 April 2025 8 April 2025
	2	The following matters were also raised as concerns by the Committee:	(a) That the planned remedial action towards the Auditor-General's audit findings be implemented by end of 2024/25 financial year.	Acting City Manager	30 June 2025

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
		<ul style="list-style-type: none"> Planned remedial action towards the AGSA's audit findings. 	(b) That progress reports on the implementation as per (a) above form part of MPAC's quarterly reports.	Acting City Manager	Quarterly
	3	<p>The following matter was raised as a concern by the Committee.</p> <ul style="list-style-type: none"> The ineffectiveness of MPAC that was caused by a lack of capacity and resources in the Office of MPAC 	(a) A progress report on the process of capacitating and allocating sufficient resources to the Office of MPAC be submitted to the quarterly meetings of MPAC.	Executive Director: Corporate Services	Quarterly
	4	<p>The following matters were raised as concerns by the Committee.</p> <ul style="list-style-type: none"> Stats on employment of disabled persons indicates zero Functionality of 0800 20 5050 Call Center number Hospitals do not have night porters (IGR and DDM) 10111 number not working (IGR and DDM) Non-adherence to turnaround times for resolving sewer leaks, water leaks, road markings, streetlights 	<p>(a) A progress report be submitted to the MPAC quarterly meetings on the employment of disabled persons.</p> <p>(b) That the NMBM App incorporates Electricity and Energy (E&E) and ensures that E&E gets complaints instantly</p> <p>(c) That the Municipality engages both the South Africa Police Service and the Department of Health on the non-functioning of 10111 and the absence of night porters in hospitals</p>	<p>Executive Director: Corporate Services</p> <p>Acting Executive Director: E&E</p> <p>Acting Chief Operating Officer</p>	<p>Quarterly</p> <p>30 April 2025</p> <p>30 April 2025</p>

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
		<ul style="list-style-type: none"> • Assistance needed for fish farming, tourism and pollution affecting birds in Swartkops. • Poor regulation of Swartkops Bridge is a risk, as bridge specifications are not observed by manganese trucks, which carry loads weighing more than the specified maximum loads. • Undermining of Kariega. 	<p>(d) That progress reports in terms of (c) be submitted to quarterly meetings of MPAC.</p> <p>(e) The Chief Operating Officer must monitor the effectiveness of the implementation of the Service Delivery Charter (SDC)</p> <p>(f) Quarterly reports in terms of (e) must be submitted to the Executive Management Committee to see if the SDC is realistic and implementable.</p> <p>(g) That the Acting Executive Director: Public Health submits a mitigation plan to address the pollution of the Swartkops River to the next ordinary meeting of MPAC.</p> <p>(h) That the Acting Executive Director: Infrastructure and Engineering submits a conditional assessment report and the required intervention on the Swartkops Bridge to the next ordinary meeting of MPAC.</p>	<p>Acting Chief Operating Officer</p> <p>Acting Chief Operating Officer</p> <p>Acting Chief Operating Officer</p> <p>Acting Executive Director: Public Health</p> <p>Acting Executive Director: Infrastructure and Engineering</p>	<p>30 April 2025</p> <p>Quarterly</p> <p>8 April 2025</p> <p>8 April 2025</p>

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
			(i) A site visit be conducted by MPAC to assess the current condition and structural integrity of the Swartkops Bridge (j) That the Acting City Manager ensures that relevant offices work from Kariega at least twice a week to assist residents from the Area.	MAPC Chairperson Acting City Manager	30 April 2025 30 April 2025
	5	The following matters were raised as concerns by the Committee: <ul style="list-style-type: none"> • Low percentage of Councillors attending skills development trainings within the current five (5) year term. • Illegal dumping was also raised as a serious concern. 	(a) That the Office of the Speaker ensures strategic coordination of Councillor events to avoid clashes thereof. (b) That all Councillors develop Personal Development Plans to be included in the Workplace Skills Plan (c) That the Acting Executive Director: Public Health completes the Waste Management Plan and submits same to Council for adoption.	Speaker Office of the Speaker Acting Executive Director: Public Health	Continuous 31 March 2025 30 June 2025

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
			(d) That the Acting Executive Director: Public Health expedites the process of increasing Town Rangers to mitigate the issue of illegal dumping.	Acting Executive Director: Public Health	30 June 2025
	6	The Committee expressed the following concern: <ul style="list-style-type: none"> • Stray animals causing accidents on the road. 	(a) That the Acting Executive Director: Public Health ensures utilisation of the available funds for the construction of an animal pound.	Acting Executive Director: Public Health	30 June 2025
	7	The Committee expressed the following concerns in respect of the performance of the Municipality for the year under review: <ul style="list-style-type: none"> • Slow progress of filling of vacancies. • Late creditors payments. • Functionality of IPTS buses. • Refuse collection and servicing of illegal sites / informal settlements. • Slow progress regarding roads rehabilitation and tarring. • Bucket system eradication. 	(a) That the Office of MPAC together with the Office of the Executive Director: Corporate Services facilitate an oversight visit to the Human Resources Department to establish the circumstances there. (b) That all external service providers be paid within 30 days, subject to compliance with Supply Chain Management policies. (c) That progress reports on creditors payments form part of MPAC's quarterly reports.	MPAC Chairperson Chief Financial Officer Chief Financial Officer	03 June 2025 Monthly Quarterly

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
			<p>(d) That the Acting Executive Director: Infrastructure and Engineering submits a comprehensive report on the feasibility of the IPTS to the next ordinary meeting of MPAC.</p> <p>(e) That the Acting Executive Director: Public Health in conjunction with the Acting Executive Director: Infrastructure and Engineering conduct a cost benefit analysis; comparing the use of external service providers with purchasing of new fleet for the purpose of refuse collection and submit a report at the next ordinary meeting of MPAC.</p> <p>(f) That MPAC undertakes an oversight visit to the fleet management unit.</p> <p>(g) That the Acting Executive Director: Infrastructure and Engineering submits a</p>	<p>Acting Executive Director: Infrastructure and Engineering</p> <p>Acting Executive Director: Public Health and Acting Executive Director: Infrastructure and Engineering</p> <p>MPAC Chairperson</p> <p>Acting Executive Director:</p>	<p>8 April 2025</p> <p>8 April 2025</p> <p>17 April 2025</p> <p>8 April 2025</p>

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
			<p>comprehensive report on the status of the Municipality's automotive and the reasons for prolonged repairing and servicing of municipal vehicles at the next ordinary meeting of MPAC.</p> <p>(h) That the Executive Director: Human Settlements and the Acting Executive Director: Infrastructure and Engineering expedite plans for bucket system eradication.</p> <p>(i) That the Acting City Manager resuscitate the Anti-vandalism Committee to address vandalism in the Nelson Mandela Bay.</p> <p>(j) That the Acting City Manager develops a strategy to reduce dependency on external service providers for the</p>	<p>Infrastructure and Engineering</p> <p>Acting Executive Director: Human Settlements and Acting Executive Director: Infrastructure and Engineering</p> <p>Acting City Manager</p> <p>Acting City Manager</p>	<p>30 June 2025</p> <p>17 April 2025</p> <p>8 April 2025</p>

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
			rendering of service delivery and provides same at the next ordinary meeting of MPAC.		
Area 2 Volume II: Audited (Consolidated) Financial Statements	8	<p>The following matters were also raised as concerns by the Committee.</p> <ul style="list-style-type: none"> • Depreciation of municipal infrastructure assets • Councilors whose municipal accounts are in arrears 	<p>(a) That the Chief Financial Officer submits a comprehensive report on the Asset Register and the depreciation of municipal infrastructure assets as at 30 June 2024 at the next ordinary meeting of MPAC.</p> <p>(b) The Speaker must send letters to Councillors whose accounts are in arrears without prior arrangements</p>	<p>Chief Financial Officer</p> <p>Speaker</p>	<p>8 April 2025</p> <p>30 April 2025</p>
Area 3: Volume III: Audit Report by the Auditor-General	9	<p>The following matters were raised as serious concerns.</p> <ul style="list-style-type: none"> • Restatements of corresponding figures • Material losses and impairments (Water and Electricity losses) • Underspending on conditional grants and other grants • Material misstatements • Poor expenditure management 	<p>(a) That the Acting City Manager develops an action plan to address the Auditor-General's audit findings on the Audit Report of Nelson Mandela Bay Municipality and that same form part of MPAC's Quarterly Reports.</p> <p>(b) That the Municipality conducts an investigation on punitive water tariffs to establish the viability</p>	<p>Acting City Manager</p> <p>Acting City Manager</p>	<p>Quarterly</p> <p>30 April 2025</p>

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
		<ul style="list-style-type: none"> • Poor procurement and contract management • Lack of consequence management 	<p>thereof, and that, a report be submitted to MPAC thereafter.</p> <p>(c) That a comprehensive plan to address water and electricity losses, with the available resource, be submitted at the next MPAC meeting.</p> <p>(d) That relevant senior officials be subjected to disciplinary processes where no improvement is realised in respect of curbing the issue of water and electricity losses.</p> <p>(e) That the Director: Internal Audit and Risk Assurance provides MPAC with a complete report on the Supply Chain Management audit outcome to establish whether any controls have been implemented.</p>	<p>Acting Manager City</p> <p>Acting Manager City</p> <p>Director: Internal Audit and Risk Assurance</p>	<p>8 April 2025</p> <p>30 April 2025</p>

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
Area 4: Volume IV: Audit Committee Report	10	<p>The following matters were also raised as serious concerns.</p> <ul style="list-style-type: none"> • Insufficient capacity within the Internal Audit and Risk Assurance Unit • Excessive overtime payouts. • Internal Audit's lack of capacity 	(a) That the Internal Audit and Risk Assurance Unit be capacitated within two (2) months after the adoption of the Oversight Report by Council.	Acting City Manager	31 May 2025
			(b) That the organogram be finalised within two (2) months after the adoption of the Oversight Report by Council.	Executive Director: Corporate Services	31 May 2025
			(c) That the Overtime Policy be finalised within two (2) months after the adoption of the Oversight Report by Council.	Executive Director: Corporate Services	31 May 2025
			(d) That a report on (a), (b) and (c) above be submitted at the quarterly meetings of MPAC.	Executive Director: Corporate Services	Quarterly
			(e) That quarterly reports of the Audit Committee form part of MPAC's quarterly reports.	Director: Internal and Audit Risk Assurance	Quarterly

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
			<p>(f) That the Director: Internal Audit and Risk Assurance submits a tracking document of the active Forensic Reports to monitor progress thereof to the next ordinary meeting of MPAC.</p> <p>(g) That the MPAC Chairperson attends the Audit Committee meetings.</p>	<p>Director: Internal Audit and Risk Assurance</p> <p>MPAC Chairperson</p>	08 April 2025
<p>Area 5: Volume V: Report on Entity – Mandela Bay Development Agency (MBDA)</p>	11	<p>The Committee expressed concerns regarding performance targets that were not met by the MBDA as well as underspending on its budget.</p>	<p>(a) That the Office of MPAC arranges oversight visits to all MBDA's projects for monitoring purposes.</p> <p>(b) That Council finalises the process of the appointment of MBDA's Audit Committee.</p>	<p>MPAC Chairperson</p> <p>City Manager</p>	<p>30 April 2025</p> <p>30 June 2025</p>

AREA	NO	MATTER UNDER CONSIDERATION/ CONCERNS RAISED	RECOMMENDATIONS	RESPONSIBLE DIRECTORATE / OFFICIAL	TIMEFRAME
			<p>(c) That progress reports in respect of the Nelson Mandela Bay Stadium events form part of MPAC's quarterly reports.</p> <p>(d) That the Chief Executive Officer : MBDA develops a strategy to mitigate delays and improve the Entity's budget spending.</p> <p>(e) That progress report in terms of (d) above be submitted to the quarterly meetings of MPAC</p>	<p>Chief Executive Officer : MBDA</p> <p>Chief Executive Officer : MBDA</p> <p>Chief Executive Officer: MBDA</p>	<p>Quarterly</p> <p>31 May 2025</p> <p>Quarterly</p>
		<p>The Committee was of the view that the MBDA had a record of maintaining a clean audit and the audit outcome under review was dissatisfactory.</p>	<p>(a) That MBDA develops an audit action plan to address the Auditor-General's audit outcome.</p> <p>(b) That the audit action plan per (a) above form part of MPAC's quarterly reports for monitoring purposes.</p>	<p>Chief Executive Officer : MBDA</p> <p>Chief Executive Officer : MBDA</p>	<p>17 April 2025</p> <p>Quarterly</p>

8. OVERSIGHT REPORT RECOMMENDATIONS FROM 2018/19 TO 2023/24 NOT IMPLEMENTED

In addition to the recommendations cited in the preceding section (Section 7.1), the MPAC will continue to monitor the implementation of all outstanding recommendations in previous financial years' Oversight Reports (2018/19 - 2023/24).

9. OVERSIGHT COMMITTEE (MPAC) RESOLUTIONS:

Having fully considered the Nelson Mandela Bay Municipality's Draft 2023/24 Annual Report, the Municipal Public Accounts Committee resolves to recommend to Council the following:

- (a) That the Council, having fully considered the Annual Report of the NMBM for the 2023/24 financial year, adopts the Oversight Report, circulated as Annexure "A" to this agenda, as presented by MPAC.
- (b) That the 2023/24 Annual Report be approved with comments and recommendations as included in the Oversight Report.
- (c) That the recommendations of the Municipal Public Accounts Committee reflected in Section 7 of its 2023/24 Oversight Report be adopted and that, the progress made with the implementation thereof, be reported in the Quarterly Reports to MPAC.
- (d) That progress with the implementation of outstanding recommendations by MPAC emanating from the 2020/21, 2021/22, 2022/23 and 2023/24 financial years be reported in the Quarterly Reports to MPAC.
- (e) That the Oversight Report be made public in accordance with Section 129 (3) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.
- (f) That the Oversight Report for the 2023/24 financial year be submitted to the Provincial Legislature in accordance with Section 132(2) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.

- (g) That Council, having fully considered the Mandela Bay Development Agency's (MBDA's) Annual Report, as included in the NMBM's 2023/24 Annual Report, approves the Municipal Entity's Annual Report.

APPENDIX "A":

**Minutes of Oversight Committee
(Municipal Public Accounts Committee)
meetings**

**MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE**

(Special meeting held 4 February 2025)

PRESENT: Councillor Ranyele I F (Chairperson)
Councillor Engelbrecht, G J S
Councillor Grootboom, L P
Councillor Koko, N N
Councillor Maswana, N I
Councillor Notshe, X L
Councillor Nqakula, N E
Councillor Peter, L
Councillor Qwazi, N
Councillor Senekal, W
Councillor Steyn, M G
Councillor Von Buchenroder, M R
Councillor Vasco, Z

ALSO PRESENT: Councillor De Andrade, M J
Councillor Van de Linde, F A

MPAC Coordinator: Mr J Tutu
Committee Officer: Committee Services (Mr O Bingwa)
Secretary: Office of MPAC (Ms P Mgwebi)

ABSENT WITHOUT LEAVE:

Councillor Mabuda, S M
Councillor Mfana, L
Councillor Nqakula, N E
Councillor Peter, L

**APPLICATIONS FOR LEAVE OF ABSENCE IN TERMS OF PARAGRAPH 3 OF THE
CODE OF CONDUCT / APOLOGIES**

No applications for leave of absence were received.

**DISCLOSURE OF INTERESTS BY COUNCILLORS IN TERMS OF PARAGRAPH 5 OF
THE CODE OF CONDUCT (SCHEDULE 1 OF THE SYSTEMS ACT NO. 32 OF 2000)**

No disclosures were made.

DISCLOSURE OF INTERESTS BY OFFICIALS

No disclosures were made.

REPORT BY EXECUTIVE DIRECTOR : CORPORATE SERVICES

1. MPAC REVIEW SCHEDULE AND DEVELOPMENT OF OVERSIGHT REPORT ON THE DRAFT 2023/2024 ANNUAL REPORT

The copy of the Draft Roadmap for dealing with the Draft 2023/24 Annual Report which is attached hereto as **Annexure “A”** was considered and adopted by the committee.

However, an opinion was expressed that the available dates for the consideration of the Annual Report may not be enough to cover the amount of work that needed to be done. Consequently, the office of MPAC was requested to secure back-up dates to ensure that any outstanding work was completed as and when the need arose.

RESOLVED:

That the Draft Roadmap for dealing with the Draft 2023/24 Annual Report be adopted.

The meeting terminated at 12:30.

CHAIRPERSON

**MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE**

(Meeting held 11 February 2025)

PRESENT: Councillor Ranyele I F (Chairperson)

Councillor Engelbrecht, G J S
Councillor Grootboom, L P
Councillor Koko, N N
Councillor Maswana, N I
Councillor Mfana, L
Councillor Notshe, X L
Councillor Peter, L
Councillor Qwazi, N
Councillor Senekal, W
Councillor Steyn, M G
Councillor Von Buchenroder, M R
Councillor Vasco, Z

ALSO PRESENT: Acting City Manager (Mr S Mvunelwa)

Chief Operating Officer
Chief Financial Officer
Executive Director : Corporate Services
Executive Director : Human Settlements
Acting Executive Director : Infrastructure and Engineering (Mr J Tsatsire)
Acting Executive Director : Safety and Security (Mr S Sibiyi)
Acting Executive Director : Economic Development,
Tourism and Agriculture (Mr W Makwabe)
Acting Executive Director : Sport, Recreation, Arts and Culture (Ms K Ngesi)
Director : Office of the City Manager (Ms T Shabudien)
Deputy Director : Office of the COO (Dr W Obeng)
Assistant Director : Committee Services (Mr J Sigonyela)
Chief Auditor : Internal Audit and Risk Assurance (Mr A De Wet)
Acting Chief Risk Officer : Office of the COO (Ms N Sobantu)
MPAC Coordinator : Office of the MPAC (Mr J Tutu)
Committee Officer : Committee Services (Mr O Bingwa)
Executive Secretary : Office of MPAC (Ms P Mgwebi)

ABSENT WITHOUT

LEAVE: Councillor Mabuda, S M

**APPLICATIONS FOR LEAVE OF ABSENCE IN TERMS OF PARAGRAPH 3 OF THE
CODE OF CONDUCT / APOLOGIES**

No applications for leave of absence were received.

Apologies were received from Councillor Nqakula, N E who was attending to a civil unrest in his ward.

The Acting Executive Director: Public Health who was attending a departmental crisis.

DISCLOSURE OF INTERESTS BY COUNCILLORS IN TERMS OF PARAGRAPH 5 OF THE CODE OF CONDUCT (SCHEDULE 1 OF THE SYSTEMS ACT NO. 32 OF 2000)

No disclosures were made.

DISCLOSURE OF INTERESTS BY OFFICIALS

No disclosures were made.

CONFIRMATION OF MINUTES

RESOLVED:

That the Minutes of Proceedings of the Municipal Public Accounts Committee at its meetings held on 3 December 2024 and 4 February 2025, as circulated, be hereby confirmed.

REPORT BY EXECUTIVE DIRECTOR : CORPORATE SERVICES

2. DRAFT 2023/24 ANNUAL REPORT (10/1/1/1) (Item 1 – Agenda p. 21)

2.1. Annual Financial Statements

A question was raised as to when the municipality planned to fill the vacancies of the Executive Directors as this resulted to administrative instability and lack of accountability. In response, the Acting City Manager explained a process of reviewing the macro-structure of the municipality was in progress and that due to changes in the organogram, some of the positions would be eliminated. He added that subsequent to the adoption and approval of the new macro-structure of the municipality, the recruitment process for senior management positions would commence and finalised by the end of the 2024/25 financial year.

The Chief Financial Officer explained that there were multiple revenue enhancement structures and processes that were being utilised by the municipality to improve revenue collection. This followed questions and concerns regarding a decrease in net assets and low revenue collection rate.

The following matters were also raised as concerns by the committee.

- Depreciation of municipal infrastructure assets
- Councillors whose municipal accounts were in arrears

The Acting Executive Director: Infrastructure and Engineering was requested to submit a comprehensive report on the depreciation of municipal infrastructure assets at the next ordinary meeting of MPAC.

RESOLVED:

The Acting Executive Director: Infrastructure and Engineering submits a comprehensive report on the depreciation of municipal infrastructure assets at the next ordinary meeting of MPAC.

2.2 Audit Report by Auditor-General of Nelson Mandela Bay Municipality

The Committee expressed serious concerns in respect the audit outcome which showed that the municipality was in a regressed state due to the following three (3) findings by the AGSA.

1. Non-current provisions

The AGSA indicated that a reliable estimate of the amount of the obligation for the provision for rehabilitation costs was not accurately determined by the municipality in accordance with the requirements of GRAP 19.

2. Property, plant and equipment

Adequate controls were not in place to appropriately record infrastructure assets.

3. Debt impairment

There was no sufficient and appropriate audit evidence to confirm that the bad debts expenses for water consumption and interest-expense amounts met the required write-off criteria to be recorded as an expense, due to the status of the accounting records.

The Acting City Manager in response stated that although this did not justify the poor performance of the municipality, no opportunity was granted by the AGSA to correct its mistakes as the previous financial year (2022/23) which resulted to a clean audit outcome.

The Chief Financial Officer was of the view that having an automated system in place for record keeping and other relevant processes would have a positive impact towards some of the findings by the AGSA, particularly those that relate to financial management.

The following matters were also raised as serious concerns.

- Restatements of corresponding figures
- Material losses and impairments (Water and Electricity losses)
- Underspending on conditional grants and other grants
- Material misstatements
- Poor expenditure management
- Poor procurement and contract management
- Lack of consequence management

Subsequent to extensive debates around these matters, it was

RESOLVED:

- (a) That the Acting City Manager develops an action plan to address the Auditor-General's three (3) audit findings on the Audit Report of Nelson Mandela Bay Municipality and that same form part of MPAC's Quarterly Reports.
- (b) That the municipality conducts an investigation on punitive water tariffs to establish the viability thereof and that a report be submitted to MPAC thereafter.
- (c) That a comprehensive plan to address water and electricity losses, with the available resource, be submitted at the next MPAC meeting.
- (d) That relevant senior officials be subjected to disciplinary processes where no improvement is realised in respect of curbing the issue of water and electricity losses.
- (e) That the Director: Internal Audit and Risk Assurance provides MPAC with a complete report on the Supply Chain Management audit outcome to establish whether or not any controls have been implemented.

The Acting City Manager and the Chief Financial Officer at this stage requested to leave the meeting due to commitments that were made with the National Treasury. Consequently, the committee expressed its dissatisfaction; citing that meetings of MPAC, particularly when the Annual Reports were reviewed, were of serious importance and should be prioritised.

The office of MPAC was requested to ensure that her office should engage the Acting City Manager and ensure that recurrence of this issue was prevented.

This Chairperson had to postpone this meeting due to the absence of both the Acting City Manager and the Chief Financial Officer and indicated that the outstanding items would be carried over to the next meeting.

The meeting terminated at 14:20.

CHAIRPERSON

**MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE**

(Meeting held 18 February 2025)

PRESENT: Councillor Ranyele I F (Chairperson)

Councillor Engelbrecht, G J S
Councillor Grootboom, L P
Councillor Koko, N N
Councillor Notshe, X L
Councillor Nqakula, N E
Councillor Peter, L
Councillor Qwazi, N
Councillor Senekal, W
Councillor Steyn, M G
Councillor Von Buchenroder, M R
Councillor Vasco, Z

ALSO PRESENT: Councillor B Pegram

Acting City Manager (Mr C Dyani)

Chief Financial Officer

Executive Director : Corporate Services

Acting Executive Director : Sport, Recreation, Arts and Culture (Ms K

Ngesi)

Acting Executive Director : Infrastructure and Engineering (Mr J Tsatsire)

Acting Executive Director : Electricity and Engineering (Mr T Biyela)

Acting Executive Director : Safety and Security (Mr S Sibiyi)

Acting Executive Director : Public Health (Ms A Dyakala)

Senior Director : Human Settlements (Mr O Pantshwa)

Director : Office of the City Manager (Ms T Shabudien)

Director : Internal Audit and Risk Assurance (Mr A Pika)

Acting Director : Economic Development, Tourism and Agriculture
(Mr S Mnyaka)

Deputy Director : Monitoring and Evaluation (Dr W Obeng)

Assistant Director : Internal Audit and Risk Assurance (Mr S Gwija)

Manager : Economic Development, Tourism and Agriculture (Mr E Noach)

Chief Auditor : Internal Audit (Mr A De Wet)

Performance Management Practitioner : Office of the COO
(Ms M Randeria)

Performance Management Practitioner : Officer of the COO (Ms N Goqoza)

Performance Management Practitioner : Officer of the COO
(Ms Z Mhuluhulu)

Risk Specialist : Office of the COO (Ms N Sobantu)

Risk Specialist : Office of the COO (Ms V Sonjezi)

MPAC Coordinator : Office of MPAC (Mr J Tutu)

Audit Committee Chairperson (Ms M Wait)
Committee Officer : Committee Services (Mr O Bingwa)
Executive Secretary : Office of MPAC (Ms P Mgwebi)

ABSENT WITHOUT

LEAVE: Councillor Mabuda, S M

**APPLICATIONS FOR LEAVE OF ABSENCE IN TERMS OF PARAGRAPH 3 OF THE
CODE OF CONDUCT / APOLOGIES**

No applications for leave of absence were received.

Apologies were received from:

Councillor Maswana, N I
Councillor Mfana, L

The Acting City Manager (Mr S Mvunelwa) who was away on Council business and was represented by the Acting City Manager (Mr C Dyani).

The Executive Director: Human Settlements who was away on Council business and was represented by the Senior Director: Human Settlements (Mr O Pantshwa).

The Acting Executive Director: Economic Development, Tourism and Agriculture (Mr W Makwabe) who was away on Council business and was represented by the Acting Director: Economic Development, Tourism and Agriculture (Mr S Mnyaka).

NOTED

**DISCLOSURE OF INTERESTS BY COUNCILLORS IN TERMS OF PARAGRAPH 5 OF
THE CODE OF CONDUCT (SCHEDULE 1 OF THE SYSTEMS ACT NO. 32 OF 2000)**

No disclosures were made.

DISCLOSURE OF INTERESTS BY OFFICIALS

No disclosures were made.

REPORT BY EXECUTIVE DIRECTOR : CORPORATE SERVICES

3. DRAFT 2023/24 ANNUAL REPORT (10/1/1/1) (Item 1 – Agenda p. 4)

3.1. Report of the Audit Committee

The Audit Committee Chairperson presented the report of the Audit Committee and highlighted the following areas that threatened the medium and long-term financial sustainability of the municipality:

- Long overdue consumer debt
- Low revenue collection rate
- Excessive water and electricity losses
- Unspent capital grants, with the risk of roll-over applications not being approved.
- Slow creditor payment rate.
- National Treasury reducing grant funding due to the inability to spend same.
- Excessive overtime payouts.
- Internal Audit's lack of capacity

The Audit Committee Chairperson also explained that there was a lack of cooperation from the management in addressing Internal Audit findings. This followed after a question was raised as to whether any advice was given to the management around the issues that were picked up by Internal Audit.

The Committee, after extensive discussion on this report, was of the view that MPAC and the Audit Committee needed to collaborate to ensure effective oversight on the administration.

It was also emphasised that the process of finalising the organogram, and the overtime policy should be expedited as this would resolve some of the major issues that the municipality was faced with.

RESOLVED:

- (a) That the Internal Audit and Risk Assurance unit be capacitated within two (2) months after the adoption of the Oversight Report by Council.
- (b) That the Organogram be finalised within two (2) months after the adoption of the Oversight Report by Council.
- (c) That the Overtime Policy be finalised within two (2) months after the adoption of the Oversight Report by Council.
- (d) That a report on (a), (b) and (c) above be submitted at the quarterly meeting of MPAC.
- (e) That quarterly reports of the Audit Committee form part of MPAC's quarterly reports.
- (f) That the Director: Internal Audit and Risk Assurance submits a tracking document of the active Forensic Reports to monitor progress thereof.

3.2. Chapter 5 – Statements of Financial Performance

Following questions and concerns, the Chief Financial Officer highlighted that the following matters could contribute towards the cleaning of the municipality's financial statements; Implementation of an automated system for record keeping and other financial processes including awarding of tenders, complete implementation of mSCOA and capacitating the Supply Chain Management unit. Consequently, the Chief Financial Officer was requested to investigate the possibilities of implementing an automated system that would result in service delivery enhancement.

Some of the concerns that were raised included a decrease in Repairs and Maintenance expenditure and overspending on Contracted Services. While overspending on Contracted Services was justified at the meeting, the Committee agreed that directorates should submit their plans to maximise expenditure of repairs and maintenance.

RESOLVED:

- (d) That the Chief Financial Officer conducts a feasibility study on the implementation of a fully automated system to deal with the supply chain issues in the Nelson Mandela Bay Municipality.
- (e) That a report per (a) above be submitted to MPAC upon completion thereof.
- (f) That an Oversight visit to the Supply Chain Management Department be conducted to gain and understanding of the circumstances there.
- (g) That directorates submit plans to ensure maximum spending on repairs and maintenance at the next ordinary meeting of MPAC.

The Chairperson at this stage indicated that the meeting would be adjourned for lunch.

(Meeting adjourned at 14:15 and reconvened at 15:00.)

3.3. Chapter 6 - Auditor-General's Audit Findings

It was indicated that Chapter three (3) of the Annual Report sought to provide the municipality's planned remedial action towards the AGSA's audit findings. It is in this fashion that the Committee requested the said plans should be implemented by end of the 2024/25 financial year and that progress reports thereon form part of MPAC's quarterly reports.

RESOLVED:

- (a) That the planned remedial action towards the Auditor-General's audit findings be implemented by end of 2024/25 financial year.
- (b) That progress reports on the implementation as per (a) above form part of MPAC's quarterly reports.

3.4. Chapter 1 (Executive Mayor's Foreword, City Manager's Overview and Executive Summary)

NOTED

3.5. Chapter 2 – Government

A concern was raised regarding the ineffectiveness of MPAC that was caused by a lack of capacity and resources in the office of MPAC. Consequently, the Acting City Manager explained that a process of capacitating and allocating sufficient resources to the office of MPAC as advised by National Treasury and the Auditor-General and ultimately instructed by Council was in progress.

NOTED

The Chairperson had to postpone this meeting due to time constraints and indicated that the outstanding items would be carried over to the next meeting.

The meeting terminated at 15:20.

CHAIRPERSON

**MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE**

(Meeting held 6 March 2025)

PRESENT: Councillor Ranyele I F (Chairperson)

Councillor Engelbrecht, G J S
Councillor Grootboom, L P
Councillor Koko, N N
Councillor Maswana, N I
Councillor Nqakula, N E
Councillor Peter, L
Councillor Qwazi, N
Councillor Senekal, W
Councillor Steyn, M G
Councillor Von Buchenroder, M R
Councillor Vasco, Z

ALSO PRESENT: Acting City Manager (Mr S Mvunelwa)
Acting Chief Operating Officer (Dr W Obeng)
Chief Financial Officer
Executive Director : Corporate Services
Acting Executive Director : Sport, Recreation, Arts and Culture (Ms K
Ngesi)

Acting Executive Director : Infrastructure and Engineering (Mr J Tsatsire)
Acting Executive Director : Electricity and Engineering (Mr T Biyela)
Acting Executive Director : Safety and Security (Mr S Sibiyela)
Acting Executive Director : Public Health (Ms A Dyakala)
Acting Executive Director : Economic Development, Tourism
and Agriculture (Mr W Makwabe)
Senior Director : Human Settlements (Mr O Pantshwa)
Director : Office of the City Manager (Ms T Shabudien)
Assistant Director: Office of the COO (Ms A Dowd-Krause)
Assistant Director : Internal Audit and Risk Assurance (Mr S Gwija)
Chief Executive Officer : MBDA (Mr A Qaba)
Acting Chief Financial Officer : MBDA (Mr U Peter)
Corporate Services Executive : MBDA (Mr L Bangazi)
Chief Auditor : Internal Audit (Mr A De Wet)
MPAC Coordinator : Office of MPAC (Mr J Tutu)
Committee Officer : Committee Services (Mr O Bingwa)
Executive Secretary : Office of MPAC (Ms P Mgwebi)

ABSENT WITHOUT

LEAVE: Councillor Mabuda, S M
Councillor Mfana, L

APPLICATIONS FOR LEAVE OF ABSENCE IN TERMS OF PARAGRAPH 3 OF THE CODE OF CONDUCT / APOLOGIES

No applications for leave of absence were received.

Apologies were received from:

Councillor Notshe, X L who was engaged on Council business.

The Executive Director : Human Settlements who was represented by the Senior Director : Human Settlements (Mr O Pantshwa).

DISCLOSURE OF INTERESTS BY COUNCILLORS IN TERMS OF PARAGRAPH 5 OF THE CODE OF CONDUCT (SCHEDULE 1 OF THE SYSTEMS ACT NO. 32 OF 2000)

No disclosures were made.

DISCLOSURE OF INTERESTS BY OFFICIALS

No disclosures were made.

CONFIRMATION OF MINUTES

RESOLVED:

That the Minutes of Proceedings of the Municipal Public Accounts Committee at its meetings held on 11 February 2025 and 18 February 2025, as circulated, be hereby confirmed.

REPORT BY EXECUTIVE DIRECTOR : CORPORATE SERVICES

4. DRAFT 2023/24 ANNUAL REPORT (10/1/1) (Item 1 – Agenda p. 13)

4.1. MBDA Annual Report

The Committee expressed concerns regarding performance targets that were not met by the MBDA as well as underspending on its budget.

Consequently, the MBDA's Chief Executive Officer explained that the entity was operating without an Audit Committee which would ensure oversight on its operations to ensure effectiveness thereof. He added that challenges were experienced in respect budget spending due to monies that were withheld by the municipality. The Chief Executive Officer urged the municipality to look into

finalising the process of appointing an Audit Committee for the MBDA and to ensure that the transfer of funding was done timeously as this would improve the performance of the entity.

When asked about plans for the Bayworld and the Nelson Mandela Bay Stadium, the Chief Executive Officer explained that the Bayworld would be ready for some operations by 30 June 2025. In respect of the stadium, it was indicated that extensive plans were in place to host big games and events there which would see an increase in the activities that were taking place.

The Committee was of the view that an oversight visit should be carried on all MBDA projects for monitoring purposes.

RESOLVED:

- (f) That the office of MPAC arrange oversight visits to all the project of the MBDA for monitoring purposes.
- (g) That Council finalise the process of the appointment of MBDA's Audit Committee.
- (h) That progress reports in respect of the Nelson Mandela Bay Stadium events form part of MPAC's quarterly reports.
- (i) That the Chief Executive Officer : MBDA establish a strategy to mitigate delays and improve the entity's budget spending.

4.2. MBDA Audit Report

The Committee was of the view that the MBDA had a record of maintaining a clean audit and the audit outcome under review was dissatisfactory.

The Chief Executive Officer : MBDA explained that measures were in place to prevent recurrence of the audit outcome; citing that the main reason for the qualified audit was overspending on a contract that was not adequately budgeted for and that there would be consequences to the officials responsible for mismanagement.

Consequently, the MBDA was requested to develop and audit action plan to address this finding and that same form part of MPAC's quarterly reports for monitoring.

RESOLVED:

- (c) That MBDA develops an audit action plan to address the Auditor-General's audit outcome.
- (d) That the audit action plan per (a) above form part of MPAC's quarterly reports for monitoring purposes.

4.3. MBDA Audited Financial Statements

NOTED

4.4. MBDA Annual Performance

NOTED

4.5. Chapter 3 (Volume I) including Component K (Institutional Annual Performance Report)

The Committee expressed the following items in respect of the performance of the municipality for the year under review:

- Slow progress of filling of vacancies.
- Late creditors payments.
- Bucket system eradication.
- Slow progress regarding roads rehabilitation and tarring.
- Functionality of IPTS buses.
- Refuse collection and servicing of illegal sites.

In response to the questions and concerns raised regarding the above, it was explained that slow progress regarding the filling of vacancies was due to lack of capacity within the Human Resources department. However, this issue had since been addressed and that there would be improvement on the rate of filling of vacancies.

With regards to late creditors payments, it was reported that the end users within various directorates failed to follow up, particularly upon services being rendered. It was also highlighted that invoices were not received timeously from service providers, and that in some instances, there were discrepancies in the invoices submitted which resulted to late processing of payments.

The Acting Executive Director: Public Health explained that the cost of refuse collection was becoming unbearable because the municipality had few to no compactor trucks that were functional; as the result, excessive amounts of monies were spent on hiring of trucks. This resulted to the directorate being unable to service other areas, particularly those areas that did were not part of the SDBIP due to budget constraints. She added that municipality did not prioritise recapitalisation of its fleet and this had a major impact on service delivery.

Regarding roads rehabilitation and tarring, it was indicated that this activity depended on funding. There was a large amount of backlog in respect rehabilitation of roads and only R70 million was allocated each year, which was not enough to combat the situation. Consequently, the Acting Executive Director: Infrastructure and Engineering indicated that more funding was required for road rehabilitation and tarring in order to see a positive impact.

After extensive deliberations on service delivery issues, the Committee agreed on the following recommendations.

RESOLVED:

- (k) That the office of MPAC in liaison with the office of the Executive Director : Corporate Services facilitates and oversight visit to the Human Resources department to establish the circumstances there.
- (l) That all external services providers be paid within 30 days, subject to compliance with Supply Chain Management policies.
- (m) That progress reports on creditors payments form part of MPAC's quarterly reports.
- (n) That the Acting Executive Director: Infrastructure and Engineering submits a comprehensive report on the feasibility of the IPTS be submitted at the next ordinary meeting of MPAC.
- (o) That the Acting Executive Director : Public Health in conjunction with the Acting Executive Director: Infrastructure and Engineering conduct a cost benefit analysis;

comparing the use of external services providers with purchasing of new fleet for the purpose of refuse collection and submit a report at the next ordinary meeting of MPAC.

- (p) That the Acting Executive Director: Infrastructure and Engineering submits a comprehensive report on the status of the municipality's automotive and the reasons for prolonged repairing and servicing of municipal vehicles at the next ordinary meeting of MPAC.
- (q) That the Executive Director : Human Settlements and the Acting Executive Director : Infrastructure and Engineering expedite plans for bucket system eradication.
- (r) That the Acting City Manager resuscitate the Anti-vandalism Committee to address vandalism in the Nelson Mandela Bay.
- (s) That the Acting City Manager establishes a strategy to reduce dependency on external service providers for the rendering of service delivery and provide same at the next ordinary meeting of MPAC.

The meeting terminated at 14:00.

CHAIRPERSON

**MINUTES OF PROCEEDINGS OF MUNICIPAL PUBLIC ACCOUNTS
COMMITTEE**

(Meeting held 18 March 2025)

PRESENT: Councillor Ranyele I F (Chairperson)

Councillor Engelbrecht, G J S
Councillor Grootboom, L P
Councillor Qwazi, N
Councillor Senekal, W
Councillor Steyn, M G
Councillor Von Buchenroder, M R
Councillor Vasco, Z

ALSO PRESENT: Acting Chief Operating Officer (Dr W Obeng)

Chief Financial Officer
Executive Director : Corporate Services
Executive Director : Human Settlements
Acting Executive Director : Sport, Recreation, Arts and Culture (Ms K

Ngesi)

Acting Executive Director : Economic Development, Tourism
and Agriculture (Mr W Makwabe)
Senior Director : Water and Sanitation (Mr B Martin)
Director : Office of the City Manager (Ms T Shabudien)
Deputy Director : Parks (Public Health) (Mr M Madoda)
Chief Auditor : Internal Audit (Mr A De Wet)
Risk Specialist : Office of the COO (Ms N Sobantu)
Risk Specialist : Office of the COO (Ms V Sonjezi)
Committee Officer : Committee Services (Mr O Bingwa)
Executive Secretary : Office of MPAC (Ms P Mgwebi)

ABSENT WITHOUT

LEAVE: Councillor Mabuda, S M
Councillor Peter, L

**APPLICATIONS FOR LEAVE OF ABSENCE IN TERMS OF PARAGRAPH 3 OF THE
CODE OF CONDUCT / APOLOGIES**

No applications for leave of absence were received.

Apologies were received from:

Councillor Koko, N N
Councillor Maswana, N I

**DISCLOSURE OF INTERESTS BY COUNCILLORS IN TERMS OF PARAGRAPH 5 OF
THE CODE OF CONDUCT (SCHEDULE 1 OF THE SYSTEMS ACT NO. 32 OF 2000)**

No disclosures were made.

DISCLOSURE OF INTERESTS BY OFFICIALS

No disclosures were made.

REPORT BY EXECUTIVE DIRECTOR : CORPORATE SERVICES**5. DRAFT 2023/24 ANNUAL REPORT (10/1/1/1) (Item 1 – Agenda p. 4)****5.1 Eastern Cape COGTA Indicators**

A concern was raised in respect of the low percentage of Councillors who attended skills development trainings within the current five (5) year term. It was explained that this was caused by the duplication of events where the attendance of councillors was mandatory. Consequently, the office of the Speaker was requested to ensure that events are coordinated strategically to avoid clashes.

Illegal dumping was also raised as a serious concern. In response, the Deputy Director : Parks (Public Health) indicated that although the Waste Management Plan was non-existent in the municipality, same was in a draft form and was being finalised in order to deal holistically with the issues surrounding waste. He added that there was a plan to increase Town Rangers to police illegal dumping. The Committee was of the view that the aforementioned processes should be sped up to deal with the issue of waste in and around the Nelson Mandela Bay.

RESOLVED:

- (e) That the office of the Speaker ensures strategic coordination of Councillor events to avoid clashes thereof.
- (f) That the Acting Executive Director : Public Health completes the Waste Management Plan and submit same to Council for adoption.
- (g) That the Acting Executive Director : Public Health expedite the process of expanding Town Rangers to mitigate the issue of illegal dumping.

5.2 National Treasury Circular 88 Indicators**NOTED****5.3 Appendices**

A concern was raised in respect of stray animals that wondering on the streets and causing accidents. It was stated that R2 million was allocated for the construction of a pound for the year under review, however a roll-over to the current financial year had to done because there was no contract in place to commence construction. Consequently, the Committee implored the Acting Executive Director : Public Health to ensure that the available funds were utilised for construction of an animal pound by 30 June 2025.

RESOLVED:

That the Acting Executive Director : Public Health ensures utilisation of the available funds for the intended construction of an animal pound by 30 June 2025.

The meeting terminated at 15:38.

CHAIRPERSON

APPENDIX “B”:

**Advertisements/Invitations to the public to
comment / attend meetings where the 2023/24 Annual
Report will be discussed**



PUBLIC NOTICE

2023/24
ANNUAL
REPORT
PUBLIC
HEARING

Date: Wednesday, 19 March 2025 | Time: 09:00
Venue: Feather Market Centre, 86 Baakens Street,
Port Elizabeth Central, Gqeberha, 6001

Notice is hereby given in terms of Section 130(1) of the Local Government: Municipal Finance Management Act (No.56 of 2003) and Section 16 of the Local Government: Municipal Systems Act (No. 32 of 2000), that the Nelson Mandela Bay Municipality will be conducting a public hearing on the Draft 2023/24 Annual Report.

All stakeholders and community members are cordially invited to attend the public hearing.

Enquiries regarding this notice must be directed to **Mr J. Tutu on 079 490 0063**.



www.nelsonmandelabay.gov.za





**DRAFT 2023/24 ANNUAL REPORT AND 2024/25 MID-YEAR
BUDGET AND PERFORMANCE ASSESSMENT REPORT
OPEN FOR INSPECTION**

The Draft 2023/24 Annual Report and the 2024/25 Mid-Year Budget and Performance Assessment Report of the Nelson Mandela Bay Metropolitan Municipality was tabled in Council on 30 January 2025. The Draft 2023/24 Annual Report was subsequently referred to the Municipal Public Accounts Committee (MPAC) for review. The Municipality hereby invites comments from the public on the Draft 2023/24 Annual Report in terms of Section 127(5)(a)(ii) of the Local Government: Municipal Finance Management Act, No. 56 of 2003.

Copies of the Draft 2023/24 Annual Report and 2024/25 Mid-Year Budget and Performance Assessment Report are available for inspection at all municipal libraries and Customer Care Centres, as well as on the municipal website: www.nelsonmandelabay.gov.za.

Any comments on the Draft 2023/24 Annual Report and the 2024/25 Mid-Year Budget and Performance Assessment Report should be submitted to the Office of the City Manager (attention: Chief Operating Officer) at PO Box 116, Gqeberha, 6000 or e-mail coo@mandelametro.gov.za by no later than **FRIDAY, 28 FEBRUARY 2025**.

The schedule of meetings of the Municipal Public Accounts Committee where the Draft 2023/24 Annual Report will be discussed, is as follows:

NO	MEETING DATE AND TIME	VENUE
1.	Tuesday, 11 February 2025 10:00	Council Chambers, City Hall, Vuyisile Mini Square, Gqeberha
2.	Tuesday, 18 February 2025 10:00	Council Chambers, City Hall, Vuyisile Mini Square, Gqeberha
3.	Thursday, 6 March 2025 10:00	Council Chambers, City Hall, Vuyisile Mini Square, Gqeberha
4.	Wednesday, 19 March 2025 10:00 (Public Hearing)	Feather Market Centre (Gqeberha), Baakens Street, Gqeberha

Members of the public are welcome to attend any of the scheduled MPAC meetings as observers apart from the Public Hearing where the public may give input.

Ref. 9 - 12 February 2025

Under the hand of the Acting City Manager, Mr S. Mvunelwa

TOGETHER WE CAN ADOPT A WATER-SAVING LIFESTYLE

APPENDIX "C":

Comments by the Auditor-General

Number	Page reference number to annual report	Correction required	Classification	Response from management
1	The organisational performance scorecard is included from pages 235 to 256 of the draft annual report.	<p>In the 2022-23 annual report, there is a section titled: "CIRCULAR 88 INDICATORS WITH CHALLENGES (BUDGET AND SYSTEMS)" with the commentary:</p> <p>"NOTE: The following output indicators were included in the 2022/23 SDBIP as prescribed by MFMA Circular 88. No targets could be set due to either budget related challenges and / or system and reporting related challenges. The Municipality does, however, report on these indicators to National Treasury on a quarterly / bi-annual / annual basis."</p> <p>"CIRCULAR 88 PRESCRIBED INDICATORS WITH BUDGET RELATED CHALLENGES"</p> <p>"CIRCULAR 88 PRESCRIBED INDICATORS WITH SYSTEM AND REPORTING RELATED CHALLENGES"</p> <p>For all the above, similar information would need to be presented in the draft annual report for 2023-24 as well, unless there is a specific reason for exclusion.</p> <p>Should this change the page numbers of the APR in the document, the page references in the audit report would need to be updated as well.</p>	Clarity required from management.	Subsequent to the input from the AG, the draft 2023/24 Annual Report has been updated to include the section on "Budget and System Challenges".
2	The organisational performance scorecard is included from pages 235 to 256	<p>The following was included in the 2022-23 annual report but is not included in the 2023-24 draft annual report:</p> <p>"COMPLIANCE INDICATORS AND QUESTIONS (CIRCULAR 88)"</p>	Clarity required from management.	Subsequent to the input from the AG, the draft 2023/24 Annual Report has been updated to include the section on "Compliance Indicators"

Number	Page reference number to annual report	Correction required	Classification	Response from management
	of the draft annual report.			and Questions - Circular 88".
3	Audit report in the annual report	Page numbers do not seem correct. The expectation is that its clearly indicated where AFS are on the annual report	Clarity required from management.	Each Volume of the Annual Report is numbered separately. In the Audit Report, the page reference for the Annual Financial Statements is marked as Volume II Pages 1 to 104. This is the correct page numbering for the sections of the audited AFS. Past annual reports may be reviewed to note this has been the sequence over the past number of years.

Number	Page reference number to annual report	Correction required	Classification	Response from management
4	Page 435 indicates The complete Auditor-General's Audit Report is included in " Volume III " of this Annual Report.	On the audit report in annual report it is written volume II is it correct?	Clarity required from management.	Page 435 in the Annual Report does reference the Audit Report as Volume III. The Audit report contains a cover page with similar reference as Volume III.
5	Overall	Ensure correct audit report is used	Clarity required from management.	The Audit Report contained in the Annual Report was received from the Chief Financial Officer. Should this not be the correct version, the AG to please provide the correct version for inclusion in the 2023/24 Annual Report.
6	Audit report in the annual report	Page number for Basic service delivery on audit report includes LED	Clarity required from management.	The Annual Performance Report contains the KPI numbering and sequence of the SDBIP. The indicators are

Number	Page reference number to annual report	Correction required	Classification	Response from management
				therefore recorded accordingly in the 2023/24 Annual Report. The service delivery indicators are spread out in the Annual Performance Report in line with the SDBIP KPI numbering.