

# **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

## **OVERSIGHT REPORT ON THE 2016/2017 ANNUAL REPORT**



**REPORT DATE : 28 MARCH 2018**

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## MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEMBERS

<b>NO</b>	<b>NAMES</b>	<b>GENDER</b>	<b>ROLE</b>
1.	<b>CLLR. MAKHOMISANI S.E.</b>	<b>Female</b>	<b>CHAIRPERSON</b>
2.	<b>Cllr. Rambuda S.</b>	<b>Female</b>	<b>Committee Member</b>
3.	<b>Cllr. Matamela S.</b>	<b>Female</b>	<b>Committee Member</b>
4.	<b>Cllr. Masithi J.</b>	<b>Female</b>	<b>Committee Member</b>
5.	<b>Cllr. Tharaga M.D.</b>	<b>Male</b>	<b>Committee Member</b>
6.	<b>Cllr. Mafhala N.A.</b>	<b>Male</b>	<b>Committee Member</b>
7.	<b>Cllr. Madzunya E.</b>	<b>Male</b>	<b>Committee Member</b>
8.	<b>Cllr. Madzhiga F.N.</b>	<b>Male</b>	<b>Committee Member</b>
9.	<b>Hosi Mukhari H.S.</b>	<b>Male</b>	<b>Committee Member</b>

## MPAC SUPPORT STAFF

<b>NO.</b>	<b>NAMES</b>	<b>ROLE</b>
1.	<b>Ramugumo P.C.</b>	<b>Acting MPAC Coordinator</b>
2.	<b>Mudau M.</b>	<b>Student Trainee</b>

## CHAIRPERSON'S FOREWORD

In terms of MFMA Act no 56 of 2003 – Circular no 32 and 11. MPAC is required to also oversee the annual report of the municipalities.

As well as mandated by Ordinary Council Meeting of 30th January 2018, Council resolution number 01:18:07:10 to review and scrutinize the 2016/2017 draft annual report. As an oversight committee we have fulfilled the obligation.

We would like to thank EXCO and Municipal Manager as well as senior management for their patience and cooperation while performing this task.

We conducted a successful project site visits on a few projects listed on the draft annual report of 2016/2017 (see annexure C). The rest of the projects will be visited during the course of the year.

Madam Speaker we also conducted a successful public participation were our main community stakeholders – Traditional leaders vhane vha mavu a Vhembe commended the Executive Mayor on her presentation of progress reports since the previous public hearing. Detailed report is in Annexure B.

Madam Speaker one other key event while reviewing the draft annual report 2016/2017 was public hearing, unfortunately it didn't happen as planned, however thereafter a united front and a spirit of teamwork was forged and a successful public hearing was conducted.

Madam Speaker, The task of reviewing annual report is not an easy one, to review and scrutinize the work performed by a workforce of close to 2000 in such a short period, it is a mammoth task. Nonetheless the council resolution has been fully completed, as the saying goes "*e job he job*"

## LEGAL FRAME WORK

The oversight report is compiled in terms of Section 129 (1) of the Municipal Finance Management Act, No. 56 of 2003 which reads as follows: “ *The council of a municipality must consider the annual report of the municipality and of any municipality entity under the municipality’s sole or shared control and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council’s comments on the annual report, which must include statement whether the council:-*

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

Section 129 of the Municipal Finance Management Act requires a municipality to prepare an oversight report over the annual report and to publish the same.

The oversight report of 2016/2017 draft annual report tables the below concerns and recommendations:-

## CONCERNS

### 1. AUDIT OPINION

Poor Audit opinion of 2016/2017 is based on repeated findings.

### 2. CORE BUSINESS OF VDM

Water as our core business has not been fully reported on annual report, ei Water quality; Revenue Enhance strategy; completed or statuses of projects.

### 3. CONSULTING FEES

Monies for consultancy fees is the highest in the province yet not corresponding with the audit opinion.

### 4. RISK

Risk treatment not highlighted in the report.

### 5. ASSETS

Assets without registration numbers and not in the Asset register, as well as valuation test not done.

### 6. ANNUAL FINANCIAL STATEMENTS

The public purse is not properly reported or disclosed

### 7. INCORRECT AUDITOR GENERAL REPORT

Auditor General's report published in the draft annual report and adopted by the Council is incorrect.

## RECOMMENDATIONS

**We as oversight committee, having fully considered the 2016/17 Draft Annual Report of Vhembe District Municipality, hereby recommends that:-**

1. Progress Reports of both public participation and public hearing of 2015/2016 annual report be implemented as committed.
2. Action Plan be part of standing item across all portfolio committees as well as council sittings. Portfolio of evidence to be submitted to MPAC Office.
3. Fully fledged reports of our flagship - Water Services, to shine on the annual report, (water quality, revenue enhancement strategy, status of projects)
4. Skills to be transferred from consultants to officials and portfolio of evidence to be signed by both before service provider exits.
5. Risk treatments to be highlighted on the annual report.
6. Valuation of assets and asset register to be updated
7. Before publishing annual report, EXCO and AGSA to agree on the final document
8. Annual Financial Statements to be drawn at regular intervals and not wait for year end to achieve cleaner books
- 9. That the Draft Annual Report of 2016/2017 financial year be adopted with RESERVATIONS.**

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**VHEMBE DISTRICT MUNICIPALITY  
MPAC CHAIRPERSON  
CLLR: MAKHOMISANI S.E.**

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**DATE**

# **ANNEXURE A**

## **SCHEDULE OF**

### **ACTIVITIES**



## SCHEDULE OF ACTIVITIES LEADING TO OVERSIGHT REPORT OF 2016/2017 ANNUAL REPORT

1. Council adopting and referring Draft Annual Report to MPAC	30 January 2018
2. Distribution of Annual Report to Members and Stakeholders	February 2018
3. Training on Annual Report Process	
4. Discussing and Scrutinizing the Annual Report. Formulation of Questions (+- 4 days)	26 -28 Feb 2018
5. Special Meeting with Executive Mayor and Senior Management	05 March 2018
6. Project site visits	
7. Public Participation	13 March 2018
8. Submission of Questions to Executive	08 March 2018
9. Attending to Responses from Executive	09 March 2018
10. Public Hearing	19 March 2018 Postponed to 26 March 2018
11. Oversight Report (Compilation of Public Hearing / Project Site Visits /Public Participation Outcomes)	27 March 2018
12. Tabling of oversight report to Council	28 March 2017
13. Publication of Oversight Report (Website etc.)	Within 7 days of adoption of report
14. Submit to Provincial stakeholders	Within 7 days of adoption of report

**ANNEXURE B**

**PROGRESS REPORT  
ON OVERSIGHT  
REPORT OF  
2015/2016  
ANNUAL REPORT**

**Executive Mayor on behalf of EXCO and Management tabled the progress report on oversight report of 2015/2016 Annual Report as follows:-**

**a) DOCUMENT MANAGEMENT**

- Corporate services department has since established a centralized document management system.
- Document management strategy process is also underway.
- The old cafeteria room will be converted into a records management office where the centralized system will be based.
- The department has since also requested names of officials designated for record keeping whom will liaise with the Record Office.

**b) U.I.F. EXPENDITURES**

- Expenditures of 2015/2016 were referred to MPAC Office for further investigation.

**c) ASSEST REGISTER**

- Improvement on maintenance of assets has been gained.
- When auditing 2016/2017 financial year, AGSA only raised (2) two issues, which the municipality is addressing

**d) REVENUE ENHANCEMENT STRATEGY (R.E.S)**

- To improve on R.E.S. municipality has since procured a new financial system for both collection and accounting of revenue collected.
- The system is in place and functional.
- The municipality has also taken over the billing and collection from Makhado Local Municipality and as well from former Mutale Local Municipality.

**e) 2015/2016 ACTION PLAN**

- Not all findings were addressed
- Audit Action is a standing item in every Senior Management meetings
- Findings for 2015/16 were 148 and for 2016/17 the findings were reduced to 108
- MMC are meeting fortnightly to monitor the implementation of Action Plan
- A detailed report will be submitted to MPAC Office

**f) CONSEQUENCE MANAGEMENT**

- Policies have just been developed and shall be submitted to Council for adoption
- Consequence Management shall commence after the adoption of municipal policies by Council
- It will be applicable to all levels
- It also means changing the culture of laziness and negligent in order to achieve a better audit opinion

# **ANNEXURE C**

## **PUBLIC PARTICIPATION INPUTS**

**Public Participation on 2016/2017 Annual Report was conducted on the 13th of March 2018 at Council Chamber of Vhembe District Municipality.**

**Her Worship Executive Mayor formally presented the 2016/2017 to all stakeholders.**

**Stakeholders/Community Members were given an opportunity to present their inputs/comments/questions.**

<b>INPUTS/COMMENTS/QUESTIONS RECEIVED FROM THE STAKEHOLDERS</b>	<b>RESPONSES</b>
1. Her Worship Executive Mayor was congratulated for being able to physically visit the sites, on the same breath management was also encouraged to do the same.	Executive Mayor appreciated the inputs from stakeholders, and encouraged her team members to work harder as the community have expressed willingness to work hand in hand with the municipality
2. It was suggested that the boreholes operators should be absorbed into the EPWP programmes.	Noted
3. Executive Mayor was commended for her audible presentation and the overall performance as well as appointments of the key management vacancies.	Noted
4. It was emphasised that the challenges of boreholes at Ha-Mangilasi (next to Agape City) have not yet been addressed.	Commitment was given that the Issue will be dealt with
5. Ward 3 members are grateful for the water and sanitation capacity building workshop that was conducted, However they are highlighting that the Albasini Dam status is risky and dangerous and needs to be addressed as it is still servicing the community, issues are:- laboratory; pumps and motors need an upgrade illegal connections; aging of employees.	Executive Mayor echoed that the Albasini Dam was supposed to have been decommissioned a while ago however due to the delay of the new project the dam has been kept functional. She also committed to visiting the site as soon as possible
6. A school at block E of Ha-Mangilasi that was being built by Department of Rural Development has been incomplete since 2015, Executive major is being requested to intervene.	All projects within the district, Vhembe District Municipality is accountable for them The said department will be conducted and an interim solution will be sought. Executive Mayor also advised that the community should not wait long in reporting their issues.

7. A concern was also raised that tenders should be awarded to locals as it will be easier when making follow-ups	noted
8. The reservoir that have failed at ward 3 are now a risk to the community and the interim dam is small and not able to supply the community and its cover has cracked which is posing a risk of people drinking infected water.	The matter will receive attention
9. Illegal connections from Thengwe area were submitted to the municipality and they are working hard daily to eradicate it. To combat the illegal connection they are requesting the municipality to fast-track the process applications for water connections.	Thengwe area is not the only place suffering from illegal connections. Nzhelele is also a hotspot of illegal connections. Executive Mayor is pleased with Traditional leaders who are responsible and working together with the municipality. This challenge too will receive attention.

# **ANNEXURE D**

# **PROJECT SITE VISITS REPORT**



1.	PROJECT NAME	UPGRADING OF RETICULATION WITHIN SIBASA CBD AND EXTENSION	RD2 TO NGULUMBI	MUSWODI /ZWIGODINI	MAVHUNGA VIP SANITATION
2.	Name Of Service Provider	Belta Services	Muswobi Building Construct	HTE Contractor	SMTM NECKMAY LUNGISA NKUTSULO NKHATHEKO
3.	When Did The Project Start And When Will It End?	April 2017 to June 2017 3 Months	November 2016 to July 2017	Sept 2016 – Feb 2018 18 Months	March 2017
4.	What Is The Project Value In Monetary Form?	R3M	R2.8M	R50M	R4M
5.	What Are The Procedure/Steps/Phases Followed For It To Service The Community				
6.	Does The Project Exist?	Yes	Yes	Yes	Yes
7.	What Was The Purpose Of Coming Up With This Project?	To Supply water to the community	To supply water to the community	To supply water to the community	Upgrade from traditional septic system to VIP standard
8.	What Is The Assest Nubmer As Per Asset Register	Not known	None	Still On Progress	Will be provided
9.	In Which Local Municipality Is The Project Built? Village Headman	Thulamela Local Municipality Sibasa	Thulamela Local Municipality (Ngulumbi/ Ngondeni/ Mukumbani/ Tshilapfene	Musina Local Municipality (Muswodi to Zwigodini / Matshena/ Masea/ Madifha/ Mabvete Tshiungani	Makhado Local Municipality Mavhunga Village
10.	Is The Project Successfully Completed	Yes	Yes	Not yet as the project scope was extended	Yes
11.	Were The Materials Of The Specified Original Quality As Stipulated In The Original Tender Document?	Yes	Yes	Yes	Yes
12.	Was The Amount Paid To Service Provider The Same As Specified In The Original Tender Document?	Yes	Yes	Yes Even though the project scope was extended, Contingency fee was used to cover the extension	Yes
13.	Is The Project Servicing The Community? If No Give The Reason	Yes Servicing Sibasa CBD	Yes Servicing Ngulumbi/ Ngondeni/ Mukumbani/ Tshilapfene	Not yet as the project was extended	Yes Servicing Mavhunga Raliphasa Muromani

14.	<b>Was The Any Political Intervention On The Running Of The Project?</b>	No	No	No	There was no need as political components were part of the the project steering committee
15.	<b>What Is The Status Of The Project?</b>	Completed	Completed	Still under construction – 94%	
16.	<b>Is The Money Already Paid Now Equal To Work Done So Far?</b>	Yes	Yes	Yes	Retention money is still outstanding. Retention period is over
17.	<b>How Big Or Small Is The Work Still Outstanding For The Project To Service The Community?</b>	No outstanding work	No outstanding work	6% outstanding work	100% complete
18.	<b>When Is It Expected To Be Completed And Service The Community?</b>	Project has been completed	Project has been completed	28 Feb 2018	Project has been completed
19.	<b>Were There Any Payment Challenges During The Period Of Running The Project?</b>	None	None	None	Yes- Delay in payments
20.	<b>Were There Any Challenges Raised By Ward Councillor Or Project Steering Committee?</b>	No	No	Yes- The neighbouring village nearly caused labour unrest	No
21.	<b>Comments</b>	-		Main source of water may delay the project in servicing the community. The Source of water to be fast-tracked	Health and Hygiene programme to be conducted to minimise disease as well as sustainability of the structure. Old systems/structures to be destroyed so that the purpose of building VIP is not marred.

1.	PROJECT NAME	MAUNGANI EAST RETICULATION	MPONDI RESERVOIR		
2.	Name Of Service Provider	DIGGIS	Muraba Contractor		
3.	When Did The Project Start And When Will It End?	2016 - 2017	-		
4.	What Is The Project Value In Monetary Form?	-	R11m		
5.	What Are The Procedure/Steps/Phases Followed For It To Service The Community	Feasibility Study Design Implementation Phase	Feasibility Study Design Implementation Phase		
6.	Does The Project Exist?	Yes	Yes		
7.	What Was The Purpose Of Coming Up With This Project?	The old system was not meeting the demand. There was no formal reticulation	To supply water to the community		
8.	What Is The Assest Nubmer As Per Asset Register	Not known	None		
9.	In Which Local Municipality Is The Project Built? Village Headman	Thulamela Local Municipality -Maungani	Thulamela Local Municipality - Thukhutha / Mutoti - Budeli - Dumasi - Tshikhudini		
10.	Is The Project Successfully Completed	Yes	Not Yet Completed		
11.	Were The Materials Of The Specified Original Quality As Stipulated In The Original Tender Document?	Yes	Yes		
12.	Was The Amount Paid To Service Provider The Same As Specified In The Original Tender Document?	Yes	Yes		
13.	Is The Project Servicing The Community? If No Give The Reason	Yes Servicing Maungani East	Not yet		
14.	Was The Any Political Intervention On The Running Of The Project?	Yes but minimal	No		
15.	What Is The Status Of The Project?	Completed	Completed		

16.	<b>Is The Money Already Paid Now Equal To Work Done So Far?</b>	Yes	Yes		
17.	<b>How Big Or Small Is The Work Still Outstanding For The Project To Service The Community?</b>	No outstanding work	No outstanding work		
18.	<b>When Is It Expected To Be Completed And Service The Community?</b>	Project has been completed	Project has been completed		
19.	<b>Were There Any Payment Challenges During The Period Of Running The Project?</b>	None	None		
20.	<b>Were There Any Challenges Raised By Ward Councillor Or Project Steering Committee?</b>	Yes Illegal connections and were reported	No		
21.	<b>Comments</b>	<p>Only residents with existing pipes were reconnected. The rest they need to apply for connection The above was communicated to the Cllr.</p> <p>A formal meeting to be scheduled to encourage community members to apply for water connection</p>			

# **ANNEXURE E**

## **PUBLIC HEARING On 2016/2017 ANNUAL REPORT**

No	Questions	Responses
1.	Has the Annual Report been distributed effectively to all stakeholders?	The Annual Report has been submitted to AGSA, Provincial Treasury, CoGHSTA and was further distributed to VDM Head office, Post Office building, Disaster Centre, Thulamela, Musina, Makhado, Collins Chabane municipalities, newspapers and the VDM Website
2.	Water Service is our core function and also as tabled in page of 2016/2017 draft annual report that the “focus was to deal with backlogs” “intention was to finalise all water projects of the financial year under review”?	
2.1	Why has the institution failed in meeting these critical targets?	<p>It is true VDM we are an water authority body. The targets were not met because of various issues:-</p> <ul style="list-style-type: none"> <li>• Delays were caused by unavailability of materials in South Africa and the transition of VDM assuming the procurement role from Department of Water.</li> <li>• Unrest at Vuwani</li> <li>• Boreholes drilled but no water</li> <li>• Weather conditions</li> <li>• Under performance of some contractors</li> <li>• Chief not releasing or availing land for projects/infrastructures</li> </ul> <p>a). The construction of Bulk pipeline from Vuwani to Middle Letaba system (Disaster Project) is a Multiyear project, and is expected to be complete in 17/18 financial</p> <p>b). Makhado West Bulk Water supply stage 3 is a Multiyear project, expected to be complete in 17-18 financial year. DDG has committed in assisting to fast-track this project.</p> <p>c). Mulima, Likhade, Lambani and Pfananani Water Supply, The project was delayed due to unavailability of offshore material (ductile pipes) which was ordered but not readily available in the country which extended the project completion date.</p> <p>d). Xikundu/Mhinga water reticulation project is a Multiyear project, 06 settlements benefiting in 16-17 financial year scope- all those projects are completed. The project is undergoing budget maintenance process to undertake works at 15 outstanding settlements.</p> <p>e). Block J Ext and Tswinga internal reticulation is a Multiyear project, expected to be complete in 17-18 financial year.</p> <p>f). Budeli, Mutoti and surrounding villages: Bulk supply and reticulation is a Multiyear project, expected to be complete in 17-18 financial year</p>

No	Questions	Responses
		<p>g). Lupepe Nwanedi RWS Construction of bulk water supply pipeline from Folovhodwe to Masisi is a Multiyear project, expected to be complete in 17-18 financial year.</p> <p>h). Mutale upgrading of raw water dam, The Contractor was delayed due to rain and other factors to complete the project in time and was authorised for extension of time</p> <p>i). Malonga Water Reticulation the Project was at design stage due to be implemented in 17-18 financial year.</p> <p>j). Construction of bulk line from NN20B to Muraga Via Mangondi The Contractor was delayed to complete the project in time (and was authorised for extension of time/was under penalties).</p> <p>k). Xikundu Mhinga Bulk Water Supply Multiyear project, part of the scope was under design and part under implementation.</p>
2.2	<p>What are the corrective measures are being implemented to ensure that performance and service delivery is achieved ?</p>	<p>a). Projects are implemented in line with the guiding principles of the General Conditions of Contract as well as the Engineering Council of South Africa and Consulting Engineers South Africa. Throughout the implementation of project these guidelines are applied and enforced as much as possible. Where the case of non-compliance is a result of the Consulting Engineer or in other instances it is that of the Contractor; the applicable regulation will be enforced.</p> <p>b). Where a Contractor is unable to complete the project in time due to circumstances that could have been controlled such as poor planning, poor cash flow management or poor management of activities on site, the Contractor shall be liable to the Municipality for penalties charges for every day that elapses between the due completion date and the actual date of practical completion.</p> <p>c). However if the Contractor considers himself entitled for extension of time due to circumstances that warrant such extension the Municipality is under obligation in accordance with Clause 5.12.1 of GCC 2010 or whichever is applicable under such project as appropriate. Such circumstances include but are not limited to:</p> <ul style="list-style-type: none"> <li>•The amount and nature of additional authorised work</li> <li>• Abnormal climatic conditions,</li> </ul>

No	Questions	Responses
		<ul style="list-style-type: none"> <li>• Any disruption which is entirely beyond the Contractor's control</li> </ul>
2.3	<p>For example Yard connections target was 5000 and only 333 was installed, we have a deficiency of 4667, and yet more than 50% of the total amount has been spent, R500 000.00 has been spent out of R750 000.00. How have we come to this situation? Were corrective measures implemented?</p>	<ol style="list-style-type: none"> <li>1. R750 000 was budgeted to purchase 3 vehicles for meter connections.</li> <li>2. R500 000 was spent during the first half of 2016/17 to purchase two vehicles.</li> <li>3. R250 000 was spent during the fourth quarter of 2016/2017 financial year.</li> <li>4. The money was not meant to purchase meters but to purchase vehicles.</li> </ol>
3.	<p>Again water is our core business and also a core essential to our community.</p>	
3.1	<p>Why has the water quality not being indicated in the draft annual report?</p>	<p>It was just an oversight and the results are available.</p>
3.2	<p>3.2. How will the community know or be reassured that the water we are providing is being tested and if we have testing equipment in place?</p>	<p>Water quality results are published on the media e.g newspapers on yearly basis. The results are also available on DWS Integrated Regulatory Information System (Blue Drop) system</p>
4.	<p>We understand that water is our core business. However repeating the same KPA 1 in page 34 and again in page 36 is not in order, instead, kindly highlight to the community how many reservoirs; boreholes; pumpstations; bulk reticulations; Standpipes were installed in the financial year under review.</p>	<p>Installed in the financial year under review</p> <ol style="list-style-type: none"> <li>i. Reservoirs</li> <li>ii. Boreholes</li> <li>iii. Pump stations</li> <li>iv. Bulk reticulation</li> <li>v. Standpipes</li> </ol> <p>A detailed report will be submitted to MPAC office.</p>
5.	<p>Inadequate status report. On page 60 and 61 there is a beautiful table of our projects.</p>	
5.1	<p>Kindly indicate the status of these projects</p>	<ol style="list-style-type: none"> <li>a). Construction of Bulk pipeline from Vuwani to Middle Letaba System(Disaster Project) is under Construction.</li> <li>b). Makhado West Bulk Water Supply-Stage 3 is under Construction.</li> <li>c). Mulima,Likhade,Lambani and Pfananani Water Supply is under Construction.</li> </ol>



No	Questions	Responses
		<p>d). Xikundu/Mhinga water reticulation project a part of the scope is complete; undergoing budget maintenance for additional funds.</p> <p>e). Block J ext and Tswinga internal reticulation Project is practically complete, busy with testing.</p> <p>f). Budeli, Mutoti and surrounding villages: Bulk supply and reticulation is under Construction</p> <p>g). Lupepe Nwanedi RWS Construction of bulk water supply pipeline from Folovhodwe to Masisi is under Construction</p> <p>h). Mutale upgrading of raw water dam Construction, the Contractor abandoned site, the Municipality is enforcing the General Conditions of Contract requirements.</p> <p>i). Malonga Water Reticulation is under Construction.</p> <p>j). Construction of bulk line from NN20B to Muraga Via Mangondi is under Construction</p> <p>k). Xikundu Mhinga Bulk Water Supply is under Construction</p> <p>Detailed report will be submitted to MPAC Office.</p>
6.	Our audit opinion is still unfavourable yet we appoint consultants every time to assist and It should also be noted that our consultancy fees are the highest in the province and at the same time we still get the worst audit opinions in the province. R21m in total	
6.1.	How many reservoirs could these monies have built?	
6.2.	Consultants being hired are they transferring skills?	<p>Consultants are transferring skills to municipal officials, as a result of the skills transfer process the interim financial statements for December 2018 were prepared by VDM staff while consultants were providing review.</p> <p>Executive Mayor recently convened a meeting between MM; CFO; And Finance Staff to address this matter, they were all advised that consultants should work hand in hand with internal staff.</p> <p>At the beginning of this term the municipality was at a dysfunctional state, It should be noted that when rebuilding a collapsed institution the systems have to be in place first for day to day operations to run smoothly.</p> <p>As soon as the systems are aligned and skills have been transferred consultant will be phased out.</p>

<b>No</b>	<b>Questions</b>	<b>Responses</b>
7.	<p>Incurring Unauthorised; Irregular; Fruitless and Wasteful expenditures were they disclosed and was there any corrective measures undertaken? If not, kindly explain why it was not done?</p>	<p>Yes, unauthorized, fruitless and wasteful and irregular expenditure were disclosed in the 2016/17 financial statements.</p> <p>The municipality maintains a register of UIF and report monthly any expenditure incurred in this regard.</p> <p>In addition, the municipality is in the process of addressing the disclosed UIF.</p> <p>Council will appoint MPAC to investigate the reported UIF and the recommendations from council will be implemented.</p> <p>municipality is busy investigating whether the debt of Depart of Labour was caused by negligence in none compliance or not.</p> <p>Fruitless and Wasteful Expenditures were mainly caused by not paying service providers such as Eskom in time.</p>