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North West Provincial Government
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PROGRESS REPORT ON THE IMPLEMENTATION OF SECTION 139 (1) (B) OF THE CONSTITUTION IN IDENTIFIED MUNICIPALITIES IN THE PROVINCE

SELECT COMMITTEE ON CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: NCOP

PRESENTED BY: MEC BT MOILOA

*Let's Grow
North West
Together*

PRESENTATION OUTLINE

1. PURPOSE
2. BACKGROUND AND INTRODUCTIONS
3. EXECUTIVE SUMMARY
4. PROGRESS REPORT
5. EXPENDITURE REPORT FOR THE MTEF 2018/19-2020/21
6. CONCLUSION
7. RECOMMENDATIONS



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PURPOSE

The purpose of this presentation is to provide the Select Committee on **Co-operative Governance and Traditional Affairs**, with a Progress report and related expenditure on the invocation of section 139 (1) (B) and (C) of the Constitution. The progress is informed by the Close-Out Reports submitted by the Intervention Teams.



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BACKGROUND AND INTRODUCTION - 02

Section 152(2) of the Constitution stipulates that a municipality must strive, within its financial and administrative capacity, to achieve the mandate as set out in Section 152(1) above. Furthermore **Section 153 of the Constitution** stipulates that a municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community.

Despite these empowering provisions of legislation aimed at **‘Making Local Government Work for Everyone’** and ensuring **‘Accountable, Responsive and Accessible’**, it is a well-documented fact that local government in the North West is challenged; our municipalities have invariably and in varying degrees been and/or are bedeviled by immense capacity challenges.



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BACKGROUND AND INTRODUCTION - 01

- The Constitution of South Africa recognises **3 spheres of governance** (national, provincial and local) “which are distinctive, interdependent and interrelated”.
- **Section 152(1) of the Constitution**, 1996 stipulates that the mandate of local government is to provide democratic and accountable government for local communities; ensure provision of services to the communities in a sustainable manner; promote social and economic development; promote a safe and healthy environment and encourage the involvement of communities and community organizations in the matters of local government. These constitutional mandates remain our foundation to put necessary systems and controls in place if we were to change the phase of local government in our province.



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BACKGROUND AND INTRODUCTION - 03

A number of stubborn service delivery, financial management and governance problems remain consistently at the forefront of government's developmental challenges. These priority areas include but not limited to the following:

- Service delivery and backlog challenges, e.g. housing, water and sanitation;
- Poor communication and accountability relationships with communities;
- Problems with the political administrative interface;
- Corruption and fraud;
- Poor financial management, e.g. negative audit opinions;
- Number of (violent) service delivery protests;
- Weak civil society formations;
- Intra - and inter-political party issues negatively affecting governance and delivery; and
- Insufficient municipal capacity due to lack of scarce skills.



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BACKGROUND AND INTRODUCTION - 04

- As a result of this state of affairs, the Executive Council of the North West Province on its resolved to place 13 local municipalities under administration in terms of section 139 (1) (b) and (c) of the Constitution. And District Municipality in terms of Section 137 of the Municipal Finance Management Act.
- It should be noted that the essence of an intervention step is that it is a unilateral imposed measure that binds a municipality. The power of intervention in terms of the Constitution is that the provincial government can exercise its powers of intervention unilaterally without the co-operation or agreement of a municipality. There is thus no statutory requirement to seek a negotiated settlement of the matter prior to taking section 139 steps or not.
- One of the most important element of an intervention measure is that it binds a municipality in the exercise of its executive powers. This is the exception to the general principle of intergovernmental relations that one sphere of government must “respect the constitutional status, institutions, powers and functions of government in the other spheres” (section 41(1)(e) of the Constitution);

BACKGROUND AND INTRODUCTION - 05

- The MEC as mandated EXCO, developed the terms of reference and appointed the Intervention Teams in consultation with the Hon. Premier. The Intervention Teams were appointed for six months and later extended by another six months. To date all the Interventions ended and Close-Out Reports submitted.
- The following table provides details of the procedural requirements and compliance thereof by the department:



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BACKGROUND AND INTRODUCTION - 06

PROCEDURAL REQUIREMENTS	COMPLIANCE
<p>Section 139 (2): If a Provincial Executive Intervenes in a municipality in terms of subsection (1)(b)-</p> <p>(a) It must submit a written notice of the intervention to-</p> <p>(i) The Cabinet Minister responsible for Local Government affairs and;</p> <p>(ii) The relevant Provincial Legislature and the National Council of Provinces within 14 days after the intervention began</p>	<p>A written notices was submitted to</p> <p>(i) the Cabinet member responsible for Local Government and;</p> <p>(ii) The Provincial legislature and National Council of Provinces;</p>
<p>Section 139 (2): If a Provincial Executive Intervenes in a municipality in terms of subsection (1)(b)-</p> <p>(b) The intervention must end if –</p> <p>(i) The Cabinet member responsible for local government affairs disapproves the intervention within 28 days after the intervention began or by the end of that period has not approved the intervention; or</p> <p>(ii) The Council (NCOP) disapproves the intervention within 180 days after the intervention began or by the end of that period has not approved the intervention</p>	<p>(i) A written notice of approval of the intervention was received from the Cabinet member responsible for local government on 30 May 2019;</p> <p>(ii) The department appeared before the Select Committee on Co-operative Governance and Traditional Affairs to brief the Committee on status of Interventions in terms of section 139 (1)(b) of the Constitution in the NW Local Municipalities</p> <p>(iii) The Select Committee conducted loco-inspection;</p> <p>(iv) The NCOP therefore concurred with the Provincial EXCO</p>

BACKGROUND AND INTRODUCTION - 07

- It should further be noted that a written notices were submitted to the five listed municipalities for the attention of Municipal Councils through Executive Mayors/Mayors. Engagements with Municipal Troikas and Senior Management of these municipalities were held to communicate the decision of the Provincial Executive and also engagement for the introduction of the Administrator and Terms of Reference were held despite challenges of resistance experienced.
- The following is a summary of progress report per municipality as per the Close-Out Reports (Interventions that ended 31 August 2019 and progress as at 30 June 2020):



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EXECUTIVE SUMMARY: FIRST GROUP OF INTERVENTIONS

NAME OF MUNICIPALITY	PERIOD OF INTERVENTION	STATE OF ADMINISTRATION/INTERVENTION
FIRST GROUP OF MUNICIPALITIES THAT WERE PLACED UNDER ADMINISTRATION AS FROM THE 1 SEPTEMBER 2018.		
1. Ditsobotla LM	1/09/2018-31/08/2019	Administration approved by EXCO ended 1 August 2019: Close-out Report was submitted to the Department.
2. Naledi LM	1/09/2018-31/08/2019	Administration Period was ended on 31 December 2019, the NCOP did not approve the intervention in Naledi LM. Close-out Report was submitted to the Department.
3. Maquassi hills LM	1/09/2018-31/08/2019	Administration period approved by EXCO ended on the 1 August 2019, A closeout Report was submitted to the Department.
4. Mahikeng LM	1/09/2018-30/06/2020	Administration started from 1 September 2018 being placed under 137 of the MFMA, on 5 December 2018 EXCO took a decision to escalate the intervention to Section 139 (1) (b) of the constitution. Intervention period ended on 30 th June 2020, currently compiling the Close-Out Report
5. Ramotshere Moiloa LM	1/09/2018-30/07/2019	Administration period approved by EXCO ended month early (30/07/2019), as per the progress report presented by the administrator, the situation had improved to the point that it was necessary to relocate the resource to where the need was, and in this case it was Naledi LM. A Close-Out Report was submitted to the Department.
6. Kgetleng Rivier LM	1/09/2018-31/08/2019	Administration approved by EXCO ended 1 August 2019: Close-out Report was submitted to the Department and presented to the Mayoral EXCO.
7. Kagisano Molopo LM	1/09/2018-31/08/2019	Council Resisted the Intervention, Court nullified the Intervention-Department is appealing the judgment.
8. NMM DM	1/09/2018-31/08/2019	Administration approved by EXCO ended 1 August 2019: Close-out Report was submitted to the Department



EXECUTIVE SUMMARY: SECOND GROUP OF INTERVENTIONS

NAME OF MUNICIPALITY	PERIOD OF INTERVENTION	STATE OF ADMINISTRATION/INTERVENTION
SECOND GROUP OF MUNICIPALITIES THAT WERE PLACED UNDER ADMINISTRATION AS FROM THE 1July 2019		
9. Mamusa LM	1/07/2019-31/01/2020	Administration was escalated to section 139 (1) (C) of the constitution, thus dissolving council. New council elected in compliance with the Constitution. Intervention ended 31 January 2020 and a detailed report/Close-Out Report submitted by Administrator.
10. Lekwa-Teemane LM	1/07/2019-30/06/2020	Administration started from 1 July 2019 until 30 Jun 2020. Close-Out Report submitted to the department
11. Tswaing LM	1/07/2019-30/06/2020	Administration started from 1 July 2019 until 30 Jun 2020. Close-Out Report submitted to the department
12. Madibeng LM	1/07/2019-30/06/2020	Administration started from 1 July 2019 until 30 Jun 2020. Close-Out Report submitted to the department
13. Ratlou LM	1/07/2019-30/06/2020	Administration started from 1 July 2019 until 30 Jun 2020. Close-Out Report submitted to the department
14. JB Marks LM	1/07/2019-30/06/2020	The municipality rejected intervention by Province, thus affected the effective implementation of the Intervention.

SOME LESSONS LEARNT FROM PREVIOUS INTERVENTIONS

- Increase in challenging interventions in the courts of law by councils as they view that the process to intervene was not properly followed.
- Municipalities are opposed to interventions utilising the provisions of section 139 (1) (b) of the Constitution; debating that an administrator is required for 139 (1) (C) only.
- Municipal Councils views intervention as settling political scores rather than providing additional support; through section 139 of the constitution.
- Municipalities accuse the Provincial Department of not following proper processes before invoking sections 139 of the constitution;
- Section 139 of the Constitution Interventions are mostly unsuccessful because when implemented they don't enjoy support of councils; and improvement to systems are discarded immediately the Administrators leave.
- By the time intervention happens municipalities are already bankrupt, and in dysfunctional state, and there are no funds to sustain the turn around plan by the administrator, even at province budget is only provided for cost of employment for the administrator and team no capital budget etc. funded.



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SOME LESSONS LEARNT FROM PREVIOUS INTERVENTIONS

- Silent resistance by both Municipal Councils and Administration which influenced the necessary support the Intervention Team requires;
- Inadequate resourcing of the Intervention by the Provincial Government due to financial constraints;
- Poor Management of the authority between the Administrator, Council and Accounting Officers;
- Timing of the interventions impacted negatively on alignment of the municipal resources and the proposed intervention plans by the Intervention Team;
- Failure by municipalities to implement the recommendations presented through the Close-Out Reports;
- Reversing the progress made during interventions by rescinding some of the key decisions taken by the Administrator.

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF MADIBENG

- Members of the appointed Intervention Team are the following:

NAME	RESPONSIBILITY
Advocate M Motlogelwa	Administrator and Head of the Intervention Team
Mr Danstil	Finance Expert
Mr P Lepedi	Technical Expert
Mr F Rathaga	Governance and Administration Expert

- The Intervention Team started effectively with its work during the month of July 2019 after engagement with Council and staff in which the objective of the intervention was outline, including the Terms of Reference for the Intervention Team.

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF MADIBENG

GOVERNANCE AND ADMINISTRATION

Terms of Reference	Achievements
<ul style="list-style-type: none">• Facilitate recruitment of senior managers including Municipal Managers where applicable;• Facilitate the improvement of governance within the Municipal Council (Council oversight role, relations between Council and administration);• Manage the overall administration of the municipality	<ul style="list-style-type: none">• Merged Community Service and LED Director positions in a reviewed and funded structure approved in 19 August 2019, council resolution number 19/08/2019 STR• Key oversight structures such as Mayoral Committee, Portfolio Committees and Audit Committee are functional although some portfolio committees still struggle to quorate.• The Local Labour Forum has also been resuscitated and all scheduled meetings have been taking place.• Improved interaction between the municipality and key stakeholders• Litigation register has been compiled and updated• All forensic Reports submitted to council• General improved compliance with legislation, policies and regulations• Senior Managers positions advertised

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF MADIBENG SOUND FINANCIAL MANAGEMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Improving the financial controls in the municipality, expenditure management, procurement processes, revenue enhancement and debt collection as well as addressing Auditor General’s reports (MFMA compliance); • Take corrective action on irregular expenditure incurred; • Improving the financial controls in the municipality, expenditure management, procurement processes, revenue enhancement and debt collection as well as addressing Auditor General’s reports (MFMA compliance); 	<ul style="list-style-type: none"> • Reduction of the budget deficit to ensure that the current budget is cash funded • Compilation of UIF Register and Contract management register continuously updated • Revenue enhancement campaigns developed and implemented, this was interrupted by the lockdown regulations that prohibited direct meetings with consumers and communities in general. • Costly and unaffordable service contracts are continuously under review • Fleet contract coming to an end in December and payment of the service provider now subjected to proper scrutiny to ensure value for money • Fuel contract terminated • Security contracts under review • Financial recovery plan progressively implemented • Improvement of internal controls, mainly in Finance (supply chain and records keeping) as part of the Post Audit Action Plan • More efficient SCM processes and Bid Committee system • Bank reconciliations updated monthly • First and second quarter interim financial statement compiled • Timeous submission of section 71 and other reports • Cost containment measures implemented • Engagement with Tshwane are at an advanced stage relating to lost revenue

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF MADIBENG SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Improve service delivery prioritisation on water and sanitation services; • Improve service delivery through facilitation of new projects, unblocking of old projects, maintenance of infrastructure, cleansing etc; 	<ul style="list-style-type: none"> • Appointment completed for all MIG projects (2019/2020) and the last set of appointments for 2020/2021 financial year tender stage to ensure timeous implementation of the grants • Contractor performance forum established and in operation to ensure monthly assessment of the progress on all projects and enable timeous intervention • Improved coordination and project management of contractors and consultants • Approved COVID 19 risk mitigation and OHS Plan for the Municipality • Improvement in the quality of water provided to communities in partnership with COGHSTA NW National Department of Human Settlements, Water and Sanitation and Magalies Water • Refurbished and improved operation of boreholes to augment the capacity of water supply from Brits Water Plant, this include drilling of new boreholes and resuscitation of 22 existing boreholes • Register of abandoned/incomplete projects compiled • Reduction in projects stoppages by communities • Cooperation of communities in the fight against illegal connections though impact has not been adequately realised • Electricity master plan approved by Council • MIG projects re-prioritisation approved by COGTA • Assessment of water and electricity meters on the Tshwane bulk lines completed with a potential reduction on bulk supply costs • Started negotiations with Tshwane to review water accounts

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF LEKWATEEMANE

- Members of the appointed Intervention Team are the following:

NAME	RESPONSIBILITY
Mr G Moatshe	Administrator and Head of the Intervention Team
Mr F Mabokela	Finance Expert

- The Intervention Team started effectively with its work during the month of August 2019 after engagement with Council and staff in which the objective of the intervention was outline, including the Terms of Reference for the Intervention Team.
- The delay was as a result of resistance and rejection of the Provincial Intervention. Even after assumption of duty the relationship between Council and the Intervention Team remained to be tense and all the Council meetings within the first six months of intervention were characterised by disputes and conflicts over roles and responsibilities between the Administrator and Council. Furthermore there was a labour strike which took almost 3 months which amongst others demanded the removal of the Municipal Manager.

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF LEKWATEEMANE

GOVERNANCE AND ADMINISTRATION

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Facilitate the improvement of governance within the Municipal Council (Council oversight role, relations between Council and administration • Attend to labour and legal matters, including to investigate and take corrective action on irregular appointment of staff and restore labour stability; outstanding disciplinary cases, if any; labour disputes; functionality of Local Labour Forum; instil culture of work and discipline of workers; 	<ul style="list-style-type: none"> • Provided Tools of Trade for Office Staff and Officials; • Improvement on the provision of protective clothing to employees • Able to give proper and effective support to Council programmes; • Produced a compliant Work Skills Plan (WSP); • Functional Labour Relations Unit • Cooperation between administration and intervention team • Filled key positions such as PMS Manager, Town Planner, Budget • HR Policies are reviewed awaits Council adoption • Organisational Structure reviewed awaits Council adoption • Council schedule is in place and the Resolution Register • Workshop conducted to all employees on Code of Conduct • Appointment of the Service Provider to address ICT infrastructure and compliance • Investigation report compiled on the accumulated irregular (R34,69 million) and Fruitless and Wasteful (R64,34 million) and the consequence management is underway. • The Annual Financial Statements and draft annual report of the Municipality were submitted to the AG on the 23rd September 2019 for external auditing. • 2018/19 Annual Report was compiled and completed and still awaiting the council adoption.

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF LEKWATEEMANE

SOUND FINANCIAL MANAGEMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Improving the financial controls in the municipality, expenditure management, procurement processes, revenue enhancement and debt collection as well as addressing Auditor General's reports (MFMA compliance); • Improve Budget Process and compliance to MFMA requirements; • Investigate all awarded contracts to establish validity and legitimacy thereof, and terminate those that are not legitimate in terms of applicable regulations 	<ul style="list-style-type: none"> • The 2019/20 Budget was redone, funded budget with operating surplus was produced and Special budget Adjustment tabled before council on the Month of December 2019 and hence a release of the withheld portion of Equitable for the November trench by NT. • The monthly section 71 reports were prepared and submitted to provincial treasury for the month of July 2019 till February 2020. • The AFS for 2018/19 were compiled with assistance of PT through appointment of the external service provider, and then the audit was completed by AG on the Month of January and subsequently the audit action plan was compiled to address the audit findings. • Daily management of cash-flow is done on an ongoing basis with weekly/monthly reporting • Draft repayment plans for liabilities were done and arrangements entered into with creditors Enforcement of credit control and debt collection policy is done on a monthly basis. • 51 Business meters were put on Automated Meter Reading system that helped to improve the accuracy of the readings • Audited 14 Large Power users and detected errors that could potentially bring the increases the billing by R13.6 Million over a period of 7 Month. • Successfully negotiated credits and refunds amounting R1750 000 from the Revenue Enhancement company (CiGiCell), that was owed R6, 973 403.79 for the worked that was done for the Municipality between the period May 2019 and February 2020

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF LEKWATEEMANE SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Improve service delivery through facilitation of new projects, unblocking of old projects, maintenance of infrastructure, cleansing etc; • Improve service delivery prioritisation on water and sanitation services; • Ensure 100% expenditure of all conditional grants such as MIG; 	<ul style="list-style-type: none"> • Conventional meters in business areas have been replaced with pre-paid meters • Replacement of the electrical network in the industrial area • The Bloemhof water purification works is currently being augmented to cater for future developments • Completion of the bulk water project to supply water to Geluksoord Ext 2 & 3 including Ext 5 in Utlwanang • Refurbishment of the Bloemhof waste water treatment plant; • Replacing pumps at the Christiana sewer pump-station to curb sewer spillages in town • More than 700m of streets have been maintained by fixing of potholes and sealing of fissures. Maintenance carried out more on a routine and emergency basis; • To date 1,250m of gravel had been paved through capital projects; • Expenditure reported for February 2020 on MIG was at 100% • The municipality was the only municipality in the Province to receive MIG re-allocation in the 2019/20 FY amounting to R10 m

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF MAHIKENG

- Members of the appointed Intervention Team are the following:

NAME	RESPONSIBILITY
Ms L Letlape (NB: Ms Letlape replaced Mr M Moadira after expiry of his contract)	Administrator and Head of the Intervention Team
Ms C Perreira (NB: Ms C Perreira replaced Ms L Letlape)	Governance and Administration Expert
Mr M Mokgwamme	Technical Expert (also seconded as an Acting MM)

- The Intervention Team started effectively with its work during the month of March 2019 after numerous engagements with Council and Mayoral Committee in which the objective of the intervention was outline, including the Terms of Reference for the Intervention Team.
- The delay was as a result of resistance and rejection of the Provincial Intervention. The contract of the Administrator Mr M Moadira expired and was not extended, as such Ms L Letlape was appointed as the Administrator and Ms C Perreira was then appointed Governance and Administrator Expert. The Technical Expert was also appointed as an Acting Municipal Manager.

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF MAHIKENG

GOVERNANCE AND ADMINISTRATION

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Facilitate the improvement of governance within council [council oversight role, relations between council and administration]; • Manage the overall administration of the municipality • Stabilize and improve governance and administration within the municipality (council and administration); • Facilitate recruitment of senior managers including Municipal Managers where applicable; • Attend to labour and legal matters, including Investigate and take corrective action on irregular appointment of staff and restore labour stability; attend to labour matters in the municipality [outstanding disciplinary cases, labour disputes, functionality of LLF, instill culture of work and discipline of workers]; • Consider and resolve on the implications of the Mahikeng High court on the suspension of the mayor , the CFO, and the appointment of the municipal Manager 	<ul style="list-style-type: none"> • Key oversight structures such as Mayoral Committee, Portfolio Committees and Council are functional, to date managed to hold 06 Council meetings from Nov. 2019 to February 2020; • The draft organogram complete and currently in final review process by management for tabling before LLF and Council • Job descriptions have been submitted to the District Job Evaluation Committee. The committee is currently busy verifying and evaluating the JDs. • Training of LLF by SALGA completed further training arranged • Interviews for Municipal Manager conducted and awaiting council Resolution on appointment of MM • Procurement processes for PPE have been completed and delivery of PPE ongoing. A tender on SHE Bins has gone out • Procured ITC server and signed connectivity memorandum of agreement with Telkom to host and secure information internally • Procured and trained Councilors on the use of tablets (ICT) for e-Meetings.

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF MAHIKENG

GOVERNANCE AND ADMINISTRATION

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Facilitate the improvement of governance within council [council oversight role, relations between council and administration]; • Manage the overall administration of the municipality • Stabilize and improve governance and administration within the municipality (council and administration); • Facilitate recruitment of senior managers including Municipal Managers where applicable; • Attend to labour and legal matters, including Investigate and take corrective action on irregular appointment of staff and restore labour stability; attend to labour matters in the municipality [outstanding disciplinary cases, labour disputes, functionality of LLF, instill culture of work and discipline of workers]; • Consider and resolve on the implications of the Mahikeng High court on the suspension of the mayor , the CFO, and the appointment of the municipal Manager • Investigate all awarded contracts to establish validity and legitimacy thereof and terminate those that are not legitimate in terms of applicable regulations. 	<ul style="list-style-type: none"> • Members of mayoral committee with directors pulled in as part of turnaround team • Shift system reviewed and agreement signed during COVID 19 period • Labour stabilised, agreements with unions and staff consultation process, LLF • Performance management system being developed- aim to change culture to being performance orientated. • The Municipal Manager appointed • Audit Remedial Action Plan Reviewed • Investigation into allegations of corruption, fraud and collusion initiated

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF MAHIKENG

SOUND FINANCIAL MANAGEMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Improving the financial controls in the municipality, expenditure management, procurement processes, revenue enhancement and debt collection as well as addressing Auditor General's reports [MFMA compliance]; • Take corrective action on irregular expenditure incurred; • Investigate all awarded contracts to establish validity and legitimacy thereof and terminate those that are not legitimate in terms of applicable 	<ul style="list-style-type: none"> • Historic Sedibeng Debt unbundled. SLA drawn and submitted to National Treasury • Stopped payment of R500 000 pm for management of Outdoor advertising by Go-Big. • Revenue Collection at 57% before Lockdown and now at 4% • Two Specialists from current service providers appointed on contracts and 4 posts advertised in BTO. • Appointed BTO interns to further capacitate the Finance Directorate so as to ultimately reduce the number of consultants in that environment • All appointments for MIG projects completed, MIG expenditure at 80%

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF MAHIKENG SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Improve service delivery through facilitation of new projects, unblocking of old projects, maintenance of infrastructure, cleansing etc.; • Improve service delivery prioritization on water and sanitation services 	<ul style="list-style-type: none"> • Road patching ongoing and processes underway to procure services for resealing of roads • A cherry picker is procured and public illumination works are ongoing. Streetlights works at about 40% • Regular Household refuse removal • Sweeping and cleaning of the CBD regular, but quality of work still can be improved by enforcement of By Laws on Businesses that continue to litter • 80 illegal dumping spots now reduced to 66 illegal dumping spots. • Reduced areas are Golf view, Riviera Park, Danville, Unit 2, Unit 12, and Unit 6. • COGHSTA has funded the repair of Mmabatho and Mahikeng Waste Water Treatment Plant(R20m), the expenditure is at 50.7%

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF TSWAING

- Members of the appointed Intervention Team are the following:

NAME	RESPONSIBILITY
Mr S Ramagaga (NB: Mr T Mose suspended)	Administrator and Head of the Intervention Team
Mr Tinyane	Technical Expert (seconded as Acting Director Technical Services)
Mr K Molefe (Suspended)	Governance and Administration Expert

- The Intervention Team started effectively with its work during the month of July 2019 after numerous engagements with Council in which the objective of the intervention was outline, including the Terms of Reference for the Intervention Team.
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- The contract of the Administrator Mr T Mose and Governance Expert Mr K Molefe are on suspension, then Mr Seth Ramagaga has been appointed as the Administrator with effect from 17 March 2020.
- The Technical Expert has been seconded as an Acting Director Technical Services. As a result there is currently no team to assist the Administrator except for legal services on an adhoc basis.
- It therefore remains difficult to attend to most identified challenges except for service delivery facilitation and the coordination of the Covid 19 response plan.

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF TSWAING

GOVERNANCE AND ADMINISTRATION

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Facilitate the improvement of governance within council [council oversight role, relations between council and administration]; • Manage the overall administration of the municipality; • Stabilize and improve governance and administration within the municipality (council and administration); • Facilitate recruitment of senior managers including Municipal Managers where applicable; • Attend to labour and legal matters, including Investigate and take corrective action on irregular appointment of staff and restore labour stability; attend to labour matters in the municipality 	<ul style="list-style-type: none"> • Oversight committees and EXCO have been resuscitated and public participation through ward committees has improved. Council resolution register is in place and regularly updated. • MPAC has been resuscitated, to that end this committee has managed to sit and completed oversight reports for the past ten financial years (2008/09 to 2017/18). • The MPAC oversight reports were tabled before council on 22 August 2019. • The Local Labour Forum has been reconstituted in line with the Main Organisational Rights Agreement. • All outstanding labour cases are prioritised and concluded with the involvement of the rapid response team from national and provincial treasury. • All job descriptions for employees was completed by the end of September 2019. • Top management posts were filled and only one is left. • Litigation cases by pension funds, debtors and families of deceased employees is being attended to. • Top management have signed performance agreements and contracts before end of September 2019.

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF TSWAING

SOUND FINANCIAL MANAGEMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Improving the financial controls in the municipality, expenditure management, procurement processes, revenue enhancement and debt collection as well as addressing Auditor General's reports [MFMA compliance]; • Take corrective action on irregular expenditure incurred; • Investigate all awarded contracts to establish validity and legitimacy thereof and terminate those that are not legitimate in terms of applicable. 	<ul style="list-style-type: none"> • Repayment plan to prevent disconnection of electricity bulk supply has been concluded with Eskom and adopted by council. • There is a significant reduction of electricity losses due to the installation of smart meters. • Billing to the residents has improved and queries and attended to individually • Payment of employees' salaries and councillors allowances has been honoured without requesting assistance from the provincial government • Submission of statutory reports and compliance has improved although the back log is still being addressed.

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF TSWAING

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Improve service delivery through facilitation of new projects, unblocking of old projects, maintenance of infrastructure, cleansing, etc; • Improve service delivery prioritization on water and sanitation service. 	<ul style="list-style-type: none"> • During the last two months the water supply situation has been stabilised although significant work still needs to be done to normalise. In the Delareyville, the major town, there is still daily water restriction due to inadequate supply despite recent refurbishment of bulk sources funded by the department. • This is a notable provision of water services at Letsopa and Agisanang Townships. • Gannalaagte portable water supply has improved remarkably after the assistance by COGTA NW to refurbish boreholes • Water supply has improved satisfactorily in the Atamelang area after experiencing long periods of interrupted supply as well mainly due to poor maintenance of infrastructure. • The municipality has a license to distribute electricity on three towns (Delareyville, Ottosdal and Sannieshof) within its area of jurisdiction. Eskom distributes and supply in all 34 villages and three townships (Atamelang, Letsopa and Agisanang) all in prepaid. • The electricity loss as at the previous audit was 43% and currently has decreased 41% as at April 2020. • The replacement of old electricity metres by new ones contributed to the reduction in the loss of electricity (however, NERSA requires the municipality to keep the energy loss below 15%) • At this point there are two of the five projects that were started in the last financial year but are yet to be completed. These were part of the projects that were affected

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF RATLOU

- Members of the appointed Intervention Team are the following:

NAME	RESPONSIBILITY
Ms N Motsatsi-Kalil	Administrator and Head of the Intervention Team
Mr Maja	Technical Expert
Ms C Malefo	Governance and Administration Expert

- The Intervention Team started effectively with its work during the month of August 2019 after engagement with Council and staff in which the objective of the intervention was outline, including the Terms of Reference for the Intervention Team. The delay was as a result of resistance and rejection of the Provincial Intervention. Even after assumption of duty the relationship between Council and the Intervention Team remained tense. Some Councillors and the former Municipal Manager instituting legal action against the Premier and EXCO to challenge the intervention.
- The litigation which started in August 2019 only came to a resolve in November 2019, clearing a way for the first Council Meeting since the start of intervention. The Council meetings that followed were characterised by disputes and conflicts over roles and responsibilities between the Administrator and Council. In February, the Council and the Administration Team undertook a Strategic Workshop (Bosberaad), the aim being to align the work of the Administration to that of Council toward paving an exit strategy for the intervention.
- This Bosbreraad proved successful and produced a report to be tabled and adopted by the Council The second six months of administration was marred by community protests as well as labour unrests which took almost 3 months

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF RATLOU

GOVERNANCE AND ADMINISTRATION

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Facilitate the improvement of governance within council [council oversight role, relations between council and administration]; • Manage the overall administration of the municipality • Stabilize and improve governance and administration within the municipality (council and administration); 	<ul style="list-style-type: none"> • Facilitated the adoption of a Council Calendar • Portfolio Committees and EXCO have sat in October, November, and January. In May only Corporate and Finance Portfolios sat. • Council Meetings were held on 5 November, 21 November; 31 January 2020 and a Special meeting on 10 March • A Special Bosberaad for a briefing on the Activities of Sec 139 Administration was held on 13 and 14 February producing clear forward to align the work of Administration to that of Council. The Report and resolutions to be adopted by Council. • Management trained on report writing and new Item presentations was adopted

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF RATLOU

GOVERNANCE AND ADMINISTRATION

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Attend to labour and legal matters, including to investigate and take corrective action on irregular appointment of staff and restore labour stability; outstanding disciplinary cases, if any; labour disputes; functionality of Local Labour Forum; instil culture of work and discipline of workers; • Facilitate recruitment of senior managers including Municipal Managers where applicable 	<ul style="list-style-type: none"> • Interviews for Senior Manager Corporate Services & Chief Financial Officer were held on 23 December 2019 & 27 January 2020 respectively. No appointments could be made due lack sufficient pool of candidates and por quality of those interviewed • New process for recruitment commenced in April 2020 and applications closed on 30 April 2020. Process of appointment commenced. • The irregular appointments of 26 staff was terminated December 2019. The matter is in dispute and before the bargaining Council. The total expenditure of this irregular appointment process is around R5 Million and the legal process to correct and recover is ongoing • Unlawful adjustment of salaries for staff was stopped. Matter before the Bargaining Council. • The PMU Manager was suspended following allegations of deliberate frustration of MIG which contributed to the delay in expenditure and a stoppage of MIG projects. • The current Municipal Manager was suspended on 13 May 2020 following allegations, among others of having been central to the unrests and for an enquiry into his employment status. A report has been delivered to the EXCO.

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION:

Terms of Reference	Achievements
<ul style="list-style-type: none">• Facilitate the improvement of governance within council [council oversight role, relations between council and administration];• Manage the overall administration of the municipality• Stabilize and improve governance and administration within the municipality (council and administration);• Attend to labour and legal matters, including Investigate and take corrective action on irregular appointment of staff and restore labour stability; attend to labour matters in the municipality [outstanding disciplinary cases, labour disputes, functionality of LLF, instill culture of work and discipline of workers];• Facilitate recruitment of senior managers including Municipal Managers where applicable;	<ul style="list-style-type: none">• Unlawfully suspended employees were reinstated.• Matters referred by the Public Protector and the Department were attended and finalised.• Facilitated the adoption of a Council Calendar• Portfolio Committees and EXCO have sat in October, November, January. In May only Corporate and Finance Portfolios sat.• Council Meetings were held on 5 November, 21 November; 31 January 2020 and a Special meeting on 10 March• Management trained on report writing and new Item presentations was adopted• Interviews for Senior Manager Corporate Services & Chief Financial Officer were held on 23 December 2019 & 27 January 2020 respectively. No appointments could be made due lack sufficient pool of candidates and poor quality of those interviewed• The irregular appointments of 26 staff were terminated December 2019. The matter is in dispute and before the bargaining Council. The total expenditure of this irregular appointment process is around R5 Million and the legal process to correct and recover is ongoing• Unlawful adjustment of salaries for staff was stopped. Matter before the Bargaining Council.

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF RATLOU

SOUND FINANCIAL MANAGEMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Improving the financial controls in the municipality, expenditure management, procurement processes, revenue enhancement and debt collection as well as addressing Auditor General's reports [MFMA compliance]; • Take corrective action on irregular expenditure incurred. • Investigate all awarded contracts to establish validity and legitimacy thereof and terminate those that are not legitimate in terms of applicable 	<ul style="list-style-type: none"> • Assessment of Financial Status as at March 2020 was conducted and feedback sent to Department and Council • Internal controls strengthened with the following : <ul style="list-style-type: none"> - Implementation of Policies; Information and Reporting; Reconciliations; and Approval Authorities • Expenditure Management is implemented through a developed checklist • In-year reports have been submitted timeously to Provincial Treasury • Review of awarded contracts is underway • Collection Rate has improved to 72% as at March 2020; • 2019/20 Adjustment Budget was tabled • 2019/21 Draft Budget was tabled on 29 May 2020 • Monthly reporting and reconciliations conducted • Audit Action Plan progress standing at 45% as at end February 2020 • Assessment of financial challenges undertaken by ACFO and tabled at EXCO • System for internal controls in place and improvement in reporting and management of service providers. • 2020/21 Draft Budget table in EXCO, to be tabled in next Council meeting

UPDATE REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF RATLOU

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Improve service delivery through facilitation of new projects, unblocking of old projects, maintenance of infrastructure, cleansing etc; • Improve service delivery prioritisation on water and sanitation services; 	<ul style="list-style-type: none"> • New projects were registered for 2019/20 after reprioritisation by the Council and due process for appointed made • Turney panel of Consultants were appointed • Consultants were appointed for implementation of projects and are on site. • Consultation with each ward Councillors on specific, and urgent water needs • Tailored solutions in consultation with ward councillors for immediate relief of dire community needs • Verification of needs conducted • Council report on the state of water submitted and workshopped • Resolution to establish an Intervention Water Team procured from Council on 5 November 2019 and Term of Reference being implemented

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF DITSOBOTLA

- Members of the appointed Intervention Team are the following:

NAME	RESPONSIBILITY
Mr. E Matlawe	Administrator and Head of the Intervention Team
Ms. M Matthwes	Governance and Administration Expert

- The Intervention Team started effectively with its work during the month of October 2018 after numerous engagements with Council and Mayoral Committee in which the objective of the intervention was outlined, including the Terms of Reference for the Intervention Team.
- The delay was as a result of resistance and rejection of the Provincial Intervention. Even after assumption of duty the relationship between Council and the Intervention Team remained tense which led to the Intervention Team being ejected from Council Municipal Offices 2 months before the end of the Intervention. Effectively, the Intervention lasted only 9 months.
- The following, therefore presents key achievements and recommendations to date as per the close-out report by Administrator per Focal Area:

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF DITSOBOTLA

GOVERNANCE AND ADMINISTRATION

Terms of Reference	Achievements
<ul style="list-style-type: none"> Facilitate the improvement of governance within council [council oversight role, relations between council and administration]; Stabilize and improve governance and administration within the municipality (council and administration); 	<ul style="list-style-type: none"> Council has so far met in December 2018, 25th February 2019, 29th March 2019 and 05th April 2019 and the 30th May 2019. Council has adopted the IDP and Budget The Administrator Report was served before Council during the December and February meetings. The February and March and May council meetings were critical compliance meetings which interalia dealt with the following; Sec 71 Reports, the mid-term performance report, The adjustment budget, The Draft IDP and SDBIP, The Annual Report, Section 52 Reports All wards engaged and needs to be intensified with the involvement of ward cllrs Appointment of 3 Section 56 Managers (CFO, Director Planning and LED and Planning and Director Community Services. MM appointed (controversy that still needs to be attended to) Appointments of CFO and Community Services made Draft policies developed and work shopped; Draft structure available and needs finalization.

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF DITSOBOTLA

SOUND FINANCIAL MANAGEMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Improving the financial controls in the municipality, expenditure management, procurement processes, revenue enhancement and debt collection as well as addressing Auditor General’s reports [MFMA compliance]; • Take corrective action on irregular expenditure incurred. • Investigate all awarded contracts to establish validity and legitimacy thereof and terminate those that are not legitimate in terms of applicable 	<ul style="list-style-type: none"> • Assessment of Financial Status as at March 2020 was conducted and feedback sent to Department and Council • Internal controls strengthened with the following : <ul style="list-style-type: none"> - Implementation of Policies; Information and Reporting; Reconciliations; and Approval Authorities • Expenditure Management is implemented through a developed checklist • In-year reports have been submitted timeously to Provincial Treasury • Review of awarded contracts is underway • Collection Rate has improved to 72% as at March 2020; • 2019/20 Adjustment Budget was tabled • 2019/21 Draft Budget was tabled on 29 May 2020 • Monthly reporting and reconciliations conducted • Audit Action Plan progress standing at 45% as at end February 2020 • Assessment of financial challenges undertaken by ACFO and tabled at EXCO • System for internal controls in place and improvement in reporting and management of service providers. • 2020/21 Draft Budget table in EXCO, to be tabled in next Council meeting



UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF DITSOBOTLA

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (01)

Terms of Reference	Achievements
<ul style="list-style-type: none">• Improve service delivery through facilitation of new projects, unblocking of old projects, maintenance of infrastructure, cleansing etc	<ul style="list-style-type: none">• New projects were registered for 2019/20 after reprioritisation by the Council and due process for appointed made• Turney panel of Consultants were appointed• Consultants were appointed for implementation of projects and are on site.• Consultation with each ward Councillors on specific, and urgent water needs• Tailored solutions in consultation with ward councillors for immediate relief of dire community needs• Verification of needs conducted• Council report on the state of water submitted and workshopped• Dedicated supply line from pipe 450mm to fill up the Old Reservoir to supply Zone 3 and controlled once the elevated reservoir is full. This is to allow the water levels to increase in order to supply Zone 3 which experiences huge shortages.

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF DITSOBOTLA

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (02)

<p align="center">Terms of Reference</p>	<p align="center">Achievements</p>
<ul style="list-style-type: none"> • Improve service delivery through facilitation of new projects, unblocking of old projects, maintenance of infrastructure, cleansing etc 	<ul style="list-style-type: none"> • Facilitated donation of 2 transformers by the Lichtenburg Business Chamber to Energise 3 boreholes that increase water levels from 40% to 70% storage capacity. • Refurbishment of 11 boreholes in Coligny and 3 boosta pumps. Water levels increasing to supply all areas. • Ongoing Work to install motors at pump stations (Lichtenburg and Itsoseng). • Water levels in Lichtenburg improved from 40% to 58% • Pump Stations and Borehole audit completed • 9 Boreholes refurbished • 2 booster pumps installed • 6 Pump Stations refurbished out of 9 • Completion of the Lichtenburg Waste Treatment Plant (90%). • Completion of the Coligny waste water treatment plant and continuous work to unblock sewer lines in Coligny • Ongoing work to unblock sewer in Itsoseng, Blydeville, Boikhutso, Coligny and Biesisvlei • Resolution to establish an Intervention Water Team procured from Council on 5 November 2019 and Term of Reference being implemented

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF MAQUASSIHILLS

- Members of the appointed Intervention Team are the following:

NAME	RESPONSIBILITY
Ms. D. Tlhoale (NB: Ms D Tlhoale replaced Mr T Mokhatla)	Administrator and Head of the Intervention Team
Mr. T. Appolus	Governance and Administration Expert

- The former administrator Mr. T. Mokhatla was rejected from the onset by the municipal council in the municipality to the point where he had to be removed from the municipality and a replacement sort in the form of Ms. D. Tlhoale and the team. Similarly her team also experienced resistance from councillors in the municipality, which resulted in 3 months of the intervention period being lost.
- Currently the administrator and the team had left the municipality and a close-out report being submitted to the department. Reported of performance of the administration team is as summarised below:

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF MAQUASSIHILLS

GOVERNANCE AND ADMINISTRATION

Terms of Reference	Achievements
<ul style="list-style-type: none">Facilitate the improvement of governance within council [council oversight role, relations between council and administration];	<ul style="list-style-type: none">Administrator Team regularly engaged councillors and provided consistent advice on council matters and correctness of resolutions.In 2016/2017 the Department of Local Government & Human Settlement through PMU approved R55 million,Improve service delivery through facilitation of new projects, unblocking of old projects, maintenance of infrastructure, cleansing etc.

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF MAQUASSIHILLS

SOUND FINANCIAL MANAGEMENT

Terms of Reference	Achievements
<ul style="list-style-type: none">• Improving the financial controls in the municipality, expenditure management, procurement processes, revenue enhancement and debt collection as well as addressing Auditor General's reports [MFMA compliance]• Take corrective action on irregular expenditure incurred	<ul style="list-style-type: none">• Bid committees resuscitated and in place and functioning effectively.

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF MAQUASSIHILLS

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (01)

Terms of Reference	Achievements
<ul style="list-style-type: none">• Improve service delivery through facilitation of new projects, unblocking of old projects, maintenance of infrastructure, cleansing etc;• Improve service delivery prioritization on water and sanitation service, also electricity.	<ul style="list-style-type: none">• Improvement of bulk Sanitation including the construction of oxidation ponds.• Reduction of sewer spillages in the township.

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF RAMOTSHEREMOIOLOA

- Members of the appointed Intervention Team are the following:

NAME	RESPONSIBILITY
Mr P Maseko	Administrator and Head of the Intervention Team

- The Intervention Team started effectively with its work during the month of September 2018 after engagement with Council and staff in which the objective of the intervention was outline, including the Terms of Reference for the Intervention Team.

- The administration in the municipality was quickly accepted by council, and the administrator was allowed to commence with his duties in the municipality, to the extent that within 9 months there was satisfactorily progress registered in that municipality to the point that the administrator had to be relocated where the need was.

- The current Status is that a closeout report was presented to the municipal EXCO by the MEC.

- Administrator was relocated before the end of his contracted period being 31 August 2019. The following, therefore presents key achievements and recommendations to date as per the close-out report by Administrator per Focal Area:

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF RAMOTSHEREMOIOLOA

GOVERNANCE AND ADMINISTRATION

Terms of Reference	Achievements
<ul style="list-style-type: none">• Manage the overall administration of the municipality• Facilitate the improvement of governance within council [council oversight role, relations between council and administration]• Facilitate recruitment of senior managers including Municipal Managers where applicable	<ul style="list-style-type: none">• Council and EXCO meetings are now convened as per the developed corporate calendar Committee and Council resolutions are standing items in the management meetings.• Councillors were being capacitated about their Roles; there was slight improvement;• Speaker and the Mayor are encouraged to monitor the council oversight role, there is slight Improvement.• All Senior management posts filled

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF RAMOTSHEREMOIOLOA

SOUND FINANCIAL MANAGEMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Improving the financial controls in the municipality, expenditure management, procurement processes, revenue enhancement and debt collection as well as addressing Auditor General's reports [MFMA compliance] • Take corrective action on irregular expenditure incurred 	<ul style="list-style-type: none"> • Revenue enhancement committee resuscitated developed. The traffic division of the Municipality has brought in Revenue in seven (7) months compared to same period previous year 2017/18. • A Revenue Enhancement Strategy has been developed ready and presented to Council. A team under the stewardship of the Municipal Manager is working on the implementation and monitoring mechanism; • Payments prioritized to reduce the creditors above 90 days. Implementation and monitoring is on-going to ensure that payments are made within 30 days.

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF RAMOTSHEREMOIOLOA

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Improve service delivery through facilitation of new projects, unblocking of old projects, maintenance of infrastructure, cleansing etc; • Improve service delivery prioritization on water and sanitation service, also electricity. 	<ul style="list-style-type: none"> • Lobatla Internal Roads ,where completed in November 2018(MIG PROJECT) • Motswedi Internal Roads, where completed in September 2018(MIG PROJECT) • Swartkop Internal Roads, where completed in October 2018(MIG PROJECTS) • Zeerust Internal Roads, to be completed by the end of May 2019(MIG PROJECTS) • Motswedi Internal Road, to be completed by the end of 2017/2018 Financial Year, Groot Marico Waste Water Treatment Plant is under construction expected to be completed in June 2019 which will result in improving water quality of Ward 17. (NMMDM Project) • 2017/2018 Motswedi Waste Water Treatment Plant is under construction expected to be completed by December 2019 which will result in improving the healthy environment in Motswedi. (NMMDM Project) • The Upgrading of Zeerust Waste Water Treatment Plant in 2018/2019 Financial Year ,which will result in reduction of sewerage spillages into Kareespruit River. (NMMDM Project) • Replacement of pumps at Oppitoppi Water Pump Station, which will result in improving the capacity of water to community of Zeerust. • In 2018/2019, 10 households water connection in ward 15, which will help community with access to water provision.

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF KGETLENGRIVIER

- Members of the appointed Intervention Team are the following:

NAME	RESPONSIBILITY
Ms. Mosa Sejosingoe	Administrator and Head of the Intervention Team
Mr. Modisenyane Segapo	Governance & Administration Expert

- Administration started from 1 September 2018 under Section 139 (1) (b) of the constitution for a period of twelve months ending 31 August 2019. The intervention started well despite challenges that council raised about the terms of reference of the administrator the municipal manager and council. The MEC presented the closeout report to council at the end of the intervention.

- The following, therefore presents key achievements and recommendations to date as per the close-out report by Administrator per Focal Area:

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF KGETLENGRIVIER

GOVERNANCE AND ADMINISTRATION

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Facilitate the improvement of governance within council [council oversight role, relations between council and administration]; Stabilize and improve governance and administration within the municipality (council and • Manage the overall administration of the municipality 	<ul style="list-style-type: none"> • Corporate calendar was revised. • The Development of council resolution register done. • Though still tense, no protests or disruptions have taken place of late; sewer spillage is being addressed with the additional funding from the war room based at COGHSTA and the major WWTP at Swartruggens is near completion and commissioning by end November 2019. • The Administrator, the Mayor and the MM always attend to the communities to address their concern.

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF KGETLENGRIVIER

SOUND FINANCIAL MANAGEMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> Improving the financial controls in the municipality, expenditure management, procurement processes, revenue enhancement and debt collection as well as addressing Auditor General's reports [MFMA compliance]; 	<ul style="list-style-type: none"> Consultants were appointed from COGTA approved panel of revenue enhancement specialists to assist with this key aspect of financial viability. 100% Expenditure and Receipt of incentive bonus of R12m, and R5m paid from equitable share allocation



UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF KGETLENGRIVIER

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Terms of Reference	Achievements
<ul style="list-style-type: none">• Improve service delivery through facilitation of new projects, unblocking of old projects, maintenance of infrastructure, cleansing, etc	<ul style="list-style-type: none">• The municipality replaced water internal reticulation for both Koster and Swartruggens through drought relief grant but unable to replace bulk pipe line due to funding.

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF NALEDI

- Members of the appointed Intervention Team are the following:

NAME	RESPONSIBILITY
Mr. Keith Kgokotli	Financial Expert
Mr. Obakeng Mongale	Administrator and Head of the Intervention Team
Ms. Lorato Gasealahwe	Governance & Administration Expert
Mr. Lebogang Moinwe	Technical Expert
Mr. Paul Maseko	Administrator and Head of the Intervention Team
Ms. Faith Khoza	Financial Expert

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF NALEDI

- Administration started from 1 September 2018 under section 137 of the MFMA for 3 months, and then after that period the administration was escalated to Section 139 (1) (b) of the constitution for a period of six month starting from the 1 April 2019 to September 2019, and the period was further extended by 3 months to end on 31 December 2019.
- About 3 months of 139 (1) (b) intervention was lost because of the challenges that was experienced by the intervention team in the municipality relating to labour challenges where municipal offices were closed by municipal labour unions demanding the implementation of the award won at the bargaining council. The status that prevailed led to administrator and financial expert resigning from their positions. The administration could not be sustained as it could not be approved by the NCOP, and it ended on 31 December 2019.
- The following, therefore presents key achievements and recommendations to date as per the close-out report by Administrator per Focal Area:
- Administration started from 1 September 2018 under Section 139 (1) (b) of the constitution for a period of twelve months ending 31 August 2019. The intervention started well despite challenges that council raised about the terms of reference of the administrator the municipal manager and council. The MEC presented the closeout report to council at the end of the intervention.
- The following, therefore presents key achievements and recommendations to date as per the close-out report by Administrator per Focal Area:

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF NALEDI

GOVERNANCE AND ADMINISTRATION

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Improve service delivery prioritisation on water and sanitation services; • Facilitate recruitment of senior managers including Municipal Managers where applicable; • Facilitate the improvement of governance within the Municipal Council (Council oversight role, relations between Council and administration); • Improving the financial controls in the municipality, expenditure management, procurement processes, revenue enhancement and debt collection as well as addressing Auditor General's reports (MFMA compliance); • Take corrective action on irregular expenditure incurred; 	<ul style="list-style-type: none"> • Direct engagement with community members who suffer from sporadic sewer spillages, over and above just resolving the problems • Re-advertise all director posts (except community Services) • Portfolio Committees and Council Exco meetings are sitting. • Have begun looking all possible illegal contracts and illegal transactions, including any possible illegal sale of land, including re-calling all existing documents (records are a huge challenge). • Portfolio Committees and Council Exco meetings are sitting; • Two areas for immediate review/investigation have been identified: contracts review and investigation of staff appointments and the department has been requested to assist.

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF NALEDI

SOUND FINANCIAL MANAGEMENT

Terms of Reference	Achievements
<ul style="list-style-type: none">Improving the financial controls, expenditure management, procurement processes and AGSA reports in these municipalities Take corrective action on irregular expenditure incurred.	<ul style="list-style-type: none">Treasury Inputs on financial recovery plan incorporated, Plans in place for replacement of meter-readings and payment arrangements for bulk creditorsHave opened Revenue Collection Office to operate on Saturdays.Offered discount (50%- individuals and 30% - Business) to debtors in order to increase the revenue.Have engaged a company to install internet infrastructure at Huhudi Hall, the new Colridge Community Hall and License Department so that residents can pay for services like water, electricity and vehicle licenses by 15 December 2019.Have prioritized all debtors from the most owing to the least. Each HOD will be given a number of Debtors to chase.Government debt to Naledi Local Municipality is at R17 200 000.

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF NALEDI

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Improve service delivery through facilitation of new projects, unblocking of old projects, maintenance of infrastructure, cleansing etc; • Improve service delivery prioritization on water and sanitation service, also electricity. 	<ul style="list-style-type: none"> • Installed dedicated pumps line from Vryburg reservoir and Huhudi. • Community of Huhudi is benefiting by having stable water supply. • Installed dedicated pumps line from Vryburg reservoir and Huhudi. • Community of Huhudi is benefiting by having stable water supply. • Provincial Public Works contributed materials and resources. • Community based stakeholders assisted with the repairing of some streets.

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF NALEDI

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Improve service delivery through facilitation of new projects, unblocking of old projects, maintenance of infrastructure, cleansing etc; • Improve service delivery prioritization on water and sanitation service, also electricity. 	<ul style="list-style-type: none"> • Installed dedicated pumps line from Vryburg reservoir and Huhudi. • Community of Huhudi is benefiting by having stable water supply. • Installed dedicated pumps line from Vryburg reservoir and Huhudi. • Community of Huhudi is benefiting by having stable water supply. • Provincial Public Works contributed materials and resources. • Community based stakeholders assisted with the repairing of some streets.

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF MAMUSA

- Members of the appointed Intervention Team are the following:

NAME	RESPONSIBILITY
Ms. Charmaine Pereira	Administrator and Head of the Intervention Team
Mr. Itumeleng Jonas	Governance & Administration Expert

- Administration started from 1 June 2019 under the provisions of Section 139 (1) (b) of the constitution for a period of six month ending December 2019, but during the intervention period, the municipality faced great challenges that rendered the council dysfunctional, and the Administration was escalated to section 139 (1) (C) of the constitution, thus dissolving council. The current status is that Council was dissolved and new council elected. Detail Report submitted by Administrator. Intervention ended 31 January 2020

- The following, therefore presents key achievements and recommendations to date as per the close-out report by Administrator per Focal Area:

PROGRESS REPORT: SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF MAMUSA

SOUND FINANCIAL MANAGEMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> Improving the financial controls, expenditure management, procurement processes and AGSA reports in these municipalities; Improving the financial controls, expenditure management, procurement processes and AGSA reports in these municipalities; Improving the financial controls in the municipality, expenditure management, procurement processes, revenue enhancement and debt collection as well as addressing Auditor General’s reports (MFMA compliance); 	<ul style="list-style-type: none"> Lesedi Construction: The intervention team paid and got back all the assets that were attached by the Sheriff (R162,681.17) Tshenolo Revelation: The intervention team paid and got back all the assets that were attached by the Sheriff (R205,000) Triumph 3: The intervention team paid and got back all the assets that were attached by the Sheriff (R500 000). MAXPROF: Settlement Agreement concluded. Edge Forensic: Settlement Agreement concluded. Matlosana Books: Settlement Agreement concluded. There is an agreement with ESKOM for the Municipality to pay R5.8 million into areas and to keep the current account up to date every month.

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY OF MAMUSA

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Improve service delivery through facilitation of new projects, unblocking of old projects, maintenance of infrastructure, cleansing etc; • Improve service delivery prioritization on water and sanitation service, also electricity. • Improve service delivery through facilitation of new projects, unblocking of old projects, maintenance of infrastructure, cleansing etc; 	<ul style="list-style-type: none"> • The alleged missing R7 million claimed from insurance that was meant for building of offices and the R4.4 million that was meant for Energy Efficiency was used for operational issues such as payment of salaries and Eskom account, will be accounted for through disciplinary measures. • 63 EPWP opportunities were created for cleaning of illegal dumping sites, refuse removal. • The team has also submitted requests for procurement of a Sewer Jet and Refuse Compactor Truck. The provincial department of Public Works has availed their yellow fleet for the patching of potholes and blading of gravel roads. The department also appointed Contractor for the Construction of Schweizer-Christiana Road.



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UPDATE REPORT : MFMA SECTION 137 INTERVENTIONS: DISTRICT MUNICIPALITY OF NGAKA MODIRI MOLEMA

- Members of the appointed Intervention Team are the following:

NAME	RESPONSIBILITY
Mr. Tshenolo Lefutswe	Financial Expert

- The Municipality was placed under Section 137 of the MFMA since from 1 September 2018 for twelve months, and extended further by another 9 Months, until 31 December 2019, on the request by the Mayor.

UPDATE REPORT : MFMA SECTION 137 INTERVENTIONS: DISTRICT MUNICIPALITY OF NGAKA MODIRI MOLEMA

SOUND FINANCIAL MANAGEMENT

Terms of Reference	Achievements
<ul style="list-style-type: none"> • Assess the seriousness of the financial problem in the municipality and seek solutions to resolve the financial problem in a way that would be sustainable and would build the municipality's capacity to manage its own financial affairs • Redo/reorganize the budget of the municipality to address the financial challenges as well prepare a plan for the funding of the budget. • General compliance with the MFMA as well as applicable regulations • General compliance with the MFMA as well as applicable regulations 	<ul style="list-style-type: none"> • Employees appointed outside the approved structure were incorporated into the approved structure to curb the irregular expenditure and Council approved this on the 30th May 2019. • Irregular expenditure of R510 million have been reported to Council on the 27th August 2019. • Virement policy to guide shifting of funds have been developed and adopted by Council. • mSCOA data-strings were corrected during the Adjustment Budget process in February 2019. • The 2019/20 MTREF Budget was compliant with MBRR through the Provincial Treasury support. • Electronic record management (scanning of payment vouchers) has been introduced. • We have engaged consultants to assist with addressing prior year audit qualifications and compilations. We have paired consultants to officials to ensure sufficient skills transfer and addressing deficiencies in internal processes as and when identified to prevent recurrence of findings.

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY KAGISANO MOLOPO

- Members of the appointed Intervention Team are the following:

NAME	RESPONSIBILITY
Mr. Zebo Tshetlho.	Administrator and Head of the Intervention Team
Mr. Obakeng Mongale	Administrator and Head of the Intervention Team

- Administration started from 1 September 2018 using the provisions of Section 139 (1) (b) of the constitution. Council Resisted the Intervention and challenged the intervention in a court of law, which in turn the court nullified the Intervention, and the department is appealing the judgment.

- Current Status: is that leave for appeal is granted to the Department, and processes to appeal the decision is underway.

UPDATE REPORT : SECTION 139 INTERVENTIONS OF THE CONSTITUTION: LOCAL MUNICIPALITY JB MARKS

- Members of the appointed Intervention Team are the following:

NAME	RESPONSIBILITY
Mr. Modisenyane Segapo	Administrator and Head of the Intervention Team
Mr. Moss Kgantsi	Administrator and Head of the Intervention Team

- Administration was supposed to start on the 1 August 2019 for a period of six months using the provisions of Section 139 (1) (b) of the constitution. Council resisted the administration and the administrator was not allowed to occupy office in the municipality, and since then the municipality have been threatening to challenge the intervention in a court of law.

EXPENDITURE REPORT

2018/19-2020/2021 FYR

2018/2019	2019/2020	2020/2021	TOTAL
R4 902 049,30	R25 154 610,81	R5 801 960,39	R35 858 620,50



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CONCLUSION

In conclusion: Municipalities

- Must attend to all outstanding challenges with the support of the Provincial Government;
- Must continue to improve engagements with all key stakeholders;
- Must improve revenue collection to address liquidity;
- Must finalise appointments of key senior management with requisite skills and relevant experience;
- Improve council oversight and maintain stability.



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CONCLUSION

In conclusion: National and Provincial Government

- There must be national regulations to support invocation of Section 139(1)(b);
- Other intervention instruments may need to be considered as opposed to Section 139(1)(b);
- Improvements made during interventions should be maintained;
- Close-out reports should be implemented without fail;
- Intervention teams should be government employees or individuals with impeccable credentials;
- The interventions in municipality should be timely;
- Develop Post-Intervention Plans for Municipalities.



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RECOMMENDATIONS

The report is submitted for consideration and counsel by the Portfolio Committee



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The End



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