

OVERSIGHT REPORT OF THE PORTFOLIO COMMITTEE ON HUMAN SETTLEMENTS, CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS ON UNDER PERFORMING MUNICIPALITIES AT NKANGALA DISTRICT MUNICIPALITY HELD ON 03 AUGUST 2017 – DEPARTMENT OF COGTA

1. INTRODUCTION

The Portfolio Committee on Human Settlements and Co-operative Governance and Traditional Affairs (the Committee) has a mandate in terms of Rule 119 of the Rules and Orders of the Mpumalanga Provincial Legislature to conduct oversight over the Department of Co-operative Governance and Traditional Affairs (the department) by holding it accountable through various measures which the Portfolio Committee may undertake during the course of a financial year.

One of the instruments that enable the Portfolio Committee on Human Settlements; Co-operative Governance and Traditional Affairs to execute its mandate is to conduct oversight visits on underperforming municipalities within Nkangala District.

2. OBJECTIVES

The objectives of the visit were to:

- To conduct oversight over the Department of COGTA on the underperforming municipalities within Nkangala District namely; Emakhazeni, Dr JS Moroka, Victor Khanye, Emalahleni and Thembisile Hani Local Municipalities.

- To obtain the reasons or challenges led to the poor performance and their turn around strategies.

3. METHOD OF WORK

The Department of COGTA (MEC, HOD with his senior officials) were invited to the meeting held on 03 August 2017 at Nkangala District Council Chamber. The five (5) affected municipalities were also invited through the Department of Co-operative Governance and Traditional Affairs (DCOGTA).

Other stakeholders invited to the meeting were Office of the Auditor-General, the Department of Finance (Office of the Treasury), House of Traditional Leaders (HTL), South African Local Government Association (SALGA) and the Public Service Commission (PSC). Media was also invited. Questions were sent to all the affected municipalities for response. Subsequently, the Committee considered the draft report on 04 October 2017.

4. OBSERVATIONS MADE BY THE COMMITTEE

The Committee observed that:

- ❖ All the five municipalities were represented by the Mayors, Speakers, Municipal Managers/Acting Municipal Managers, Chief Financial Officers (CFOs) and Technical Managers;
- ❖ The reports that were presented were signed off by the Executive Mayors and the Municipal Managers;

- ❖ Municipalities were able to provide challenges that led to performance and their turnaround strategies.
- ❖ The municipalities managed to identify challenges and proposed recommendations;
- ❖ Municipalities have established TROIKA) (i.e. the Mayor; Speaker and Whip of the Municipality) immediately after the 03 August 2016 Local Government Election
- ❖ Section 79 Oversight Committees were established by Council and their functions are clearly articulated, namely to hold the Executive (Executive Mayor) mayoral committee accountable to Council.
- ❖ Revenue generation fluctuate from one municipality to the other;
- ❖ Cash flow is the main challenge within municipalities;
- ❖ Collection of Revenue from households and businesses is not done properly by the municipalities;
- ❖ At Dr JS Moroka Local Municipality, there are critical vacant funded posts namely, Municipal Manager, Chief Financial Officer (CFO) and Asset Manager which also contributed to issues of irregular expenditure, appointment of service providers through Regulation 32 of the Supply Chain Management (SCM).
- ❖ The National Department has allocated money amounting to R79 million meant for Emalahleni Local Municipality but it was reported that the money is with the Department of Human Settlements.

5. OVERVIEW BY THE DEPARTMENT OF HUMAN SETTLEMENTS

The MEC of the Department of Human Settlements, Mr SK Mashilo appreciated the opportunity to appear before the Committee. The MEC indicated that listening to the presentation of the Auditor General's report was not good especially when presenting the irregular expenditure that is growing and it's also against the policy of the government in terms of clean governance.

The MEC requested municipalities to report on their disciplinary measures taken against the implicated officials. The MEC further enquired on what actions has been taken out to root out corruption, monopoly suppressing ability to do well. He also raised a concern that most people who are employed do not have the necessary skills; people who are mostly employed are from school and still need time and energy. He also wanted to know who is auditing the consultants because there should be linkages of consultants and the municipalities. The MEC of Human Settlements also met with the municipalities within Nkangala District as part of the Road Show. The municipalities were informed about the contractors and units to be used per municipality.

He further reported that when he met with the municipalities he requested the municipalities to provide the information so that the Department can assist in purchasing the land. The MEC also indicated that the Department of Human Settlements would not start with the housing construction until the water supply, verified and approved beneficiary list is completed.

The MEC reported that municipalities raised a concern that contractors come to their municipalities for work to be done and yet they are not approved. The MEC assured the municipalities that the contractors together with the municipalities must work closely in order to achieve their goals.

In his conclusion, the MEC indicated that as a Department they are finalising the process as guided by the approved legislation on sub-contractors which started in the month of April 2017. The Department of Human Settlements will also assist where the municipalities require land to be serviced instead of providing houses and putting the structures. He emphasised that the municipalities should make provision for land.

6. OVERVIEW BY THE DEPARTMENT OF COGTA

The HOD for Department of Co-operative Governance and Traditional Affairs, Mr TP Nyoni appreciated the opportunity to appear before the Committee to report on the underperforming municipalities within the Nkangala District Municipality.

The HOD reported that there are strategic partners resolved to make use of the five pillars of the Integrated Municipal Support Plan (IMSP) in order to be able to provide holistic technical support in the areas of putting People first, Paying attention to Basic Services, Building strong Institutional Capacity, Ensuring Prudent Financial Management Systems and Instituting Good Governance Systems.

He further reported that their focus has been on ensuring that there is interface between Community Development Workers, Ward Committees and Traditional Leaders; and that there is an effective complaints management system to minimise the possibility of communities resorting to violent protests. The HOD also indicated the following observations;

- ❖ eMalahleni takes a lead with 120 or 29% findings on the misstatement of Annual Financial Statements issues raised by the Auditor General, followed by Emakhazeni (87 or 21%), Victor Khanye (79 or 19%), Dr JS Moroka (55 or 13%), Thembisile Hani (42 or 10%), Steve Tshwete (24 or 6%) and remaining 1% for Nkangala District.
- ❖ The Analysis revealed that Steve Tshwete is rated highest on Internal Control Deficiencies with (43 or 24%) findings, followed by Emakhazeni (35 or 20%), eMalahleni (33 or 18%), Thembisile Hani (27 or 15%), Victor Khanye (20 or 11%), Dr JS Moroka (15 or 8% and Nkangala (7 or 4%).
- ❖ eMalahleni Municipality is rated highest with 43 or 27% issues of Non Compliance with Laws and Regulations, followed by Dr JS Moroka and Emakhazeni account for 31 or 19% each, Victor Khanye (21 or 13%), Thembisile Hani (19 or 12%) and the remaining Two (2) Municipalities account for 10% as per the AGSA report.
- ❖ The Municipality with highest issues on Annual Report Misstatements is Emakhazeni with 14 or 32% of the total findings, followed by Victor Khanye (11 or 25%), eMalahleni (9 or 20%) and Steve Tshwete (6 or 14%) and the remaining Three (3) municipalities account for (4 or 9%).
- ❖ Steve Tshwete has four (4) findings and is the only municipality with Service Delivery issues within the District.

In his conclusion the HOD indicated that the Department will be able to assist the municipalities by indicating the following;

- ❖ The Leadership within the affected Municipalities should create an awareness and understanding of municipal daily achievements from both financial and governance perspective.

- ❖ Municipalities should appoint CFOs and Finance Officials, especially those responsible for preparation of financial statements who are suitably qualified to implement sound financial management and good governance.
- ❖ Municipalities should ensure that credible audit action plans are being developed and implemented to correct internal control deficiencies
- ❖ The monitoring of the implementation of the plans should be done on regular / daily basis.
- ❖ Municipalities should ensure that proper record keeping systems are implemented on a timely manner.
- ❖ There should be a regular monitoring of daily and monthly procedures, reconciliations and processes.
- ❖ There should be dedicated teams that support the top five municipalities from both Provincial Treasury and COGTA on financial and performance management on daily basis.

7. PRESENTATION BY THE AUDITOR GENERAL

The Office of the Auditor-General of South Africa (AGSA), led by Mr. Khumbudzo Nemavhidi reported that the Auditor-General of South Africa (AGSA) has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. He indicated that the Audit Outcomes for 2015/16 financial year seeks to ensure that the municipalities were able to do the following key guidelines;

- ❖ Accountability
- ❖ Define target
- ❖ Internal Controls and supervision
- ❖ Monitoring by all assurance providers

- ❖ Consequences handbook on accountability
- ❖ Outcomes which are better audit results
- ❖ Impact better life for citizens

He also indicated that AGSA has also improved in terms of audit methodology and audit report by delivering valuable and relevant product focusing on the things that matters. The Office of the AGSA proposed the following key recommendations that:

- ❖ In collaboration with the Provincial Treasury, auditees should implement intensive training programmes to increase the skills of existing staff and to enhance their competence in performing their daily functions.
- ❖ Municipalities should adhere to basic financial disciplines, such as regularly reconciling financial information (e.g. reconciling to the general ledger on a monthly/ quarterly basis) and continuously validating the information in the accounting records (e.g. physical verifications).
- ❖ Municipalities should design and implement a credible and comprehensive action plan to address the root causes of risks and the matters raised by risk management, the internal and external auditors, the audit committee, MPAC and any other governance structures.
- ❖ Municipalities should ensure close monitoring of the work done by the consultants, including gaining understanding on the processes following in getting to the actual outcomes.
- ❖ Municipalities should ensure collaboration between all the coordinating departments including COGTA, Provincial Treasury, SALGA and District municipalities to ensure that support provided to municipalities is effective.

In his closing remarks he thanked the Committee for affording them an opportunity also reported that they are available to assist the municipalities at any time. The municipalities must ensure that proper processes in terms of documentation are followed when awarding contracts, legislation is followed and that projects speak to financial statements and the process of procuring procurement.

8. PRESENTATIONS BY LOCAL MUNICIPALITIES (LM) ON THEIR CHALLENGES THAT LED TO POOR PERFORMANCE AND THE TURN AROUND STRATEGY

8.1. Emakhazeni Local Municipalities (LM)

The Committee noted that owing to the decisive leadership of the municipality, the performance of Emakhazeni Local Municipality has been steadily improving. During the year 2016/17, positions of all Senior Managers were filled. It be noted that some contracts of senior managers have come to an end and processes to fill the vacancies is underway. All posts for senior managers will be filled by end of September 2017. The municipality reviewed its Organisational Structure which has been re-designing to fit the purpose. In line with cost curtailment circular, the municipality reduced its Section 56 Managers from five to three. Positions of Town Planner, Technician, Mechanic's and Operators have been established for 2017/18 financial year. The municipality has successfully placed all employees at the correct notch in line with the Salaries and Wage Curve Collective Agreement.

The audit outcome for 2015/16 financial year has improved from disclaimers to qualification when compared to outcomes of the last three years. Revenue collection has improved from 54% to 70% and this has led to an improved payment of creditors. To that end, the creditors' deficits have been reduced by 6.2%. Consequently, municipal employees and are henceforth paid in terms of the correct notch.

The Eskom's arrear debt has been curbed from escalating and the municipality is up to date with its payment of current account. It is able to make repayment of R500 000 on a monthly basis to Eskom.

There is stability in Political, Administrative and Community level of the municipality. Council is able to execute its functions. Council committees, oversight structures such as MPAC, Rules and Ethic, Risk and Audit Committee and Ward Committees are established and functional.

The following key issues were alleviated by the AG following 2015/16 Audit:

- property, plant and equipment
- revenue management
- performance management
- financial statements
- supply chain management and contract management

Recommendations made by the municipality

- ❖ Various Council Committees will continue to play oversight. There is a close monitoring of the Audit Action Plan and the Municipality will be ready to submit its Annual Financial Statement (AFS) on 31 August 2017.
- ❖ Filling of Section 56 Manager's position is being prioritised.
- ❖ Resolving customer queries.
- ❖ 90% of the Audit Action Plan issues has been addressed, except for those that will be finalised with the AFS.
- ❖ The municipality prioritised increasing revenue collection to not less than 80% and settlement of Eskom arrear account. Payment of Eskom's current account.

- ❖ Weekly and Monthly reconciliations to be performed
- ❖ Compilation of Interim Annual Financial Statements

The municipality requested that the Portfolio Committee for Human Settlements, Co-operative Governance and Traditional Affairs to convene such oversight meetings immediately after the release of the audit outcome by the AG in order to strengthen capacity of the oversight committees of municipalities to avert repeat findings.

Traditional Leaders

The Committee also wanted to know why the municipality does not have participation of the Traditional leaders or Amakhosi. The municipality in its response reported that the Emakhazeni municipality does not have Traditional Leaders.

8.2. Dr JS Moroka LM

The municipality got the qualified audit opinion for the 2015/16 FY, and matters of emphasis were the following:

- Irregular expenditure
- Accumulative up to 2014/15 FY R215 102 521
- 2015/16 FY R 100 773 550
- Total R315 876 071
- Asset Register not fully compliant with GRAP 17
- Misstatements on the Financial Statements

Recommendations made by the municipality

The municipality strives to achieve a better audit opinion in 2016/17 financial year by addressing the following matters: Conclusion for investigations on UIF, final report will be written to the Treasury for final condonement;

Asset management unit has been fully established and all the queries raised for assets will be fully resolved and the AFS will be fully reviewed by specialized personnel before submissions, in order to detect all the misstatements on the AFS.

The municipality requested the assistance of Treasury on the conclusions of Unauthorised, Irregular and Fruitless and wasteful expenditure after receiving the report from the municipality.

Audit Action Plan

The Committee was informed that the municipality has obtained qualified audit opinion for about four years and indicated that previously the municipality was not adhering to audit action plans. The municipality is currently adhering to the audit action plans, there were also critical posts being vacant namely, Municipal Manager, Chief Financial Officer (CFO) and Asset Manager for a long period which also contributed to issues of irregular expenditure, appointment of service providers through Regulation 32 of the Supply Chain Management (SCM).

Consequence Management

The municipality reported that during the 2014/15 and 2015/2016 financial year there was irregular, fruitless and wasteful expenditure. The municipality has been able to maintain lesser issues.

The unauthorized expenditure has been referred to council and the council directed that further investigation should be done by MPAC.

Overpayment of a service provider

The Committee wanted to know what measures were taken for an official who made an overpayment to a service provider which was supposed to be paid R1 million but ended up being paid R10 million. The municipality reported that the report was provided to the Council and the Council resolved that internal disciplinary processes should be instituted; the matter has been referred to the Hawks. The Committee emphasized the issue of systems and controls to be put in place urgently.

8.3. Victor Khanye LM

The Committee was informed that Victor Khanye Local Municipality (VKLM) obtained a qualified audit opinion from the Auditor General for the financial year ending 30 June 2016. The Committee further noted that following from the audit outcome, an action plan had been compiled to address the issues raised by the Auditor-General during the 2015/16 financial year in both the audit report and management letter.

The municipality indicated that the purpose of this report is to report progress made to date in addressing audit findings as raised by Auditor General. Audit Action Plan was developed from the final management letter received from Auditor General. The action plan addresses not only the findings raised but also possible future findings which might come out of the same population going forward looking into and fixing the root causes of the findings.

The Operation Clean Audit (OpCA), was launched on 16 July 2009 by the late former Minister of Corporate Governance and Traditional Affairs, the Honourable Sicelo Shiceka. The Committee was informed that Government is trying with its initiative to ensure clean audits, transparency and improved service delivery within Government across the country.

The project is aimed at promoting good governance, strengthening financial management to achieve operational efficiency and encouraging accountability within Government. The ultimate goal is that all municipalities and provincial departments within the nine provinces will achieve clean audits on their annual financial statements. The Committee was further informed that the main reason which led to the qualification in the audit was the fact that the General Ledger and Annual Financial Statements had differences. As the correcting measure before even looking into our audit action plan was to sort out the difference to see where they emanate.

The difference was the result from the previous audit for 2014/2015 where manual edit was done on the Caseware file and the same happened 2015/2016. The exercise started by taking the final Ledger that was given to AG and importing in the Caseware system to see the differences.

Way-forward

- The municipality has enlisted the services of Umnotho Business Consulting that have an outstanding record with the services that they are providing to the Nkangala District Municipality;
- As part of the Service Level Agreement (SLA) there is on-going training of the municipal staff, and a close out report after the issuing of the AGSA report, and correction of any outstanding matters;

- The municipality has prepared new business processes to ease the implementation of MSCOA and reduce building in the actions planned into the process going forwards;
- The plan to fill vacant post is underway and to capacitated the municipality employees;

Electricity billing without meter reading

The Committee wanted to know on how does the municipality charge people without meter reading, why it seems as though there is lack of capacity within the municipality. In its response the municipality reported that the Chief Financial Officer (CFO) resigned and the municipality stayed for a long period without a CFO. The municipality has recently appointed the CFO. The municipality also indicated that there was a spelling mistake in their response whereby the municipality reported mixing water and electricity as it was supposed to read as votes that were misplaced.

8.4. Emalahleni LM

The Committee was informed that Emalahleni Local Municipality has received a number of disclaimers over the past financial years and the latest being the 2015/2016 financial year. The disclaimers have been linked to a number of control deficiencies, non-compliance, and instability in the Finance Department of the municipality. The municipality reported that in general when an organisation obtains such an opinion about its financial affairs as reflected in the annual financial statements audited by the Office of the Auditor General, this would occur as a result of the municipality being unable to provide the required evidence to enable the auditors to perform tests to satisfy themselves regarding the fair presentation of financial statements.

The Disclaimer opinion of Emalahleni local municipality in the past audit has moved from lack of documents as previously stated by the AGSA to technical matters that involved valuation and asset experts. Emalahleni Local Municipality has had a number of movements within the Office of the Chief Financial Officer (CFO) and Executive Directors (acting in their capacities as top management of the organisation in the previous years) when the trend of disclaimers emerged.

Emalahleni Local Municipality has worked hard in resolving the issues around the capacitation of the Office of the Chief Financial Officer with a more stable and dedicated CFO. The issue of Acting Executive Directors was also resolved in the previous years and now the top management of the municipality is well capacitated with dedicated individuals who can take the municipality to a better audit opinion.

The municipality has ensured that relevant structures such as the Internal Audit Unit and Risk Management are established and well capacitated. The Audit Committee, Risk Committee, and Performance audit Committee has been established and are functioning accordingly.

- ❖ In the 2016/17 an Audit Steering Committee was established within the municipality to deal with the issues as raised by the Office of the Auditor General, which is chaired by the Municipal Manager.
- ❖ The committee meets on a weekly basis and the municipal audit action plan is discussed and the relevant Directorate's are held accountable for all the outstanding issues not resolved.
- ❖ The Dashboard Report and Action Plan were also discussed at the Council meetings to check the progress made in addressing audit issues raised.

- ❖ Over the years, the number of audit findings has increased as the municipality improved in the provision of supporting evidence for the information disclosed in the annual financial statements, which indicates that the auditors were able to audit more and more information supplied.
- ❖ This also indicates that the municipality is improving and the focus will be channelled around dealing with the issues raised until desirable outcomes are achieved and this we don't take as an unachievable dream.

Audit Action Plan

The municipality reported that there is significantly slow improvement with regards to action taken to address findings. 63% of 204 issues were resolved to date. Management is currently not focusing on symptoms only but is discovering the true source of the problems/findings, generating and implementing control measures to mitigate the problems. The mitigation of both root causes and findings will prevent or significantly reduce the likelihood of problems' recurrence. There is work in progress with regard to most of the findings classified as not resolved.

Recommendations by the municipality

- Capacitate Units that contribute to the disclaimer matters with more qualified and dedicated personnel i.e. Assets, Revenue and Expenditure;
- Establish a good working relationship with AGSA and allow the auditors to inspect progress on a quarterly basis for early warnings and advise on unresolved issues or slow implementation of corrective actions;
- The action plan findings must be addressed during the Audit and not only when the auditors have completed the Audit (time pressures to implement findings);

- Establish the Audit Steering Committee that will deal with the AGSA findings during and after the audit;
- Monitor the implementations of findings on a monthly basis;
- Non-performing units will be investigated and efforts concentrated around the non-performance;
- The action plan will be designed to focus on the real root causes of the findings rather than the symptoms;
- Improve the document management system of the municipality as this contributes to the disclaimer;
- Monitor the work of service providers, and to decrease the over reliance on service providers (Assets and Revenue).

Recommendations made by the municipality

- The Leadership of the Province to assist municipalities in areas of disclaimer;
- Black list all service providers that are not assisting municipalities with disclaimer matters (Assets and revenue);
- Develop an assessment tool to determine if the municipality will fail or pass the audit.
- Prioritise the provincial resources to struggling municipalities;
- The AGSA to perform interim audits on municipalities with disclaimers
- Dashboard assessments to be conducted on a quarterly basis by the AGSA to assist and advise the municipality through the financial year.

Local Economic Development

The Committee wanted to know if there is a policy that speaks to road maintenance completed; industry or mines interms of social intervention within Nkangala District or Emalahleni Local Municipality. The Committee further needed clarity if there is a recruitment strategy and who has contributed to the challenges of potholes because trucks seem to be a contributing factor.

The municipality reported that Emalahleni Municipality was one of the distressed mining towns. The National Department has allocated money amounting to R79 million meant for Emalahleni but the money is with the Department of Human Settlements and has not received any funding. The municipality is hoping that powers could be reviewed and how monies are taken from municipalities.

The Mayor also mentioned that more details will be discussed with the Portfolio Committee once the date is confirmed because the municipality has been faced with major challenges for the past years. She also indicated that the Technical Director has also been suspended. The Mayor concluded by indicating that as a municipality they also need tangible solutions in terms of infrastructure investments

8.5. Thembisile Hani LM

The Committee was informed that Thembisile Hani Local Municipality is from a historical background where it was not able to meet its financial obligations and as a result it was placed under Administration in the 2009/10 financial year. The municipality situation has changed and improved. The Municipal Manager reported that management has devoted most of its time to improve the audit outcome. The Management on its weekly meetings has prioritized the audit related matters in order to improve the qualification the municipality has obtained from the Office of the Auditor General.

The Committee also noted that in the last financial year, 2016/2017, the following issues formed the basis of the qualified audit opinion: PPE, WIP and Commitments. The municipality has developed an Audit Action Plan at the beginning of January 2017 in order to address all the issues raised by the AG. The municipality ensured the Committee that 40% of the issues raised in the 2016/2017 financial year has been resolved and 60% are in progress.

The Committee was assured by the municipality that it strives to strictly adhere to the audit action plan; ensure 100% compliance with legislation; strengthen its internal controls; continuous update of the fixed assets register; monthly reconciliations of the WIP and Commitments Register; monthly clearing of all suspense accounts. The municipality noted all the issues raised by the Committee and will provide the written responses.

9. Findings made by the Committee

After the interaction, the Committee found that:

- (a) The municipalities have not submitted the MPAC reports as requested by the Portfolio Committee for 2013/14; 2014/15 and 2015/16.
- (b) Municipalities are unable to generate their revenue collection.
- (c) Municipalities do not reconcile valuation rolls to billing systems.
- (d) Municipalities have increased irregular, unauthorised and wasteful expenditure.
- (e) Municipalities have Ineffective Leadership and Oversight responsibility.

- (f) There are no disciplinary action taken against those who transgress.
- (g) MPAC not fully operational in some municipalities and the Executive not accountable to MPAC

10. Recommendations

After the findings, the Committee recommended that the Department must:

- a. Ensure that the MPAC reports for 2013/14; 2014/15 and 2015/16 are submitted to the Committee by 30 November 2017.
- b. Together with the municipality develop a revenue strategy plan that will be able to assist municipalities with their revenue collection. A progress report to be submitted by 30 November 2017.
- c. Continue with support to reconcile valuation rolls with billing systems and that a progress report be submitted to the Committee by 30 November 2017.
- d. Consider establishment of SCM compliance support units to ensure adherence to SCM processes, alignment to plans and availability of budget and that a progress report be submitted to the Committee by 30 November 2017
- e. Ensure that the Leadership within the affected Municipalities should create an awareness and understanding of municipal daily achievements from both financial and governance perspective. A progress report to be submitted by 30 November 2017.

- f. Together with the Council must ensure that disciplinary actions are taken against those officials who transgress and as it is required by prescript such as the MFMA. A progress report to be submitted by 30 November 2017 and thereafter on a quarterly basis.
- g. Develop a plan that will monitor and ensure that the Executive Mayors are accountable to MPAC's. A progress report to be submitted by 30 November 2017 and thereafter on a quarterly basis.

The Department should provide a progress report on all the recommendations made by the Committee before 30 November 2017.

9. CONCLUSION

The Acting Chairperson wishes to thank the Honourable Members of the Committee, for their participation and contributions during the deliberations on the underperforming municipalities. The Acting Chairperson further extends her appreciation to the MEC, Ms RM Mtshweni, MEC, Mr SK Mashilo, HOD, Mr TP Nyoni and Senior Officials of the Departments of Co-operative Governance and Traditional Affairs and Human Settlements, the Executive Mayor, Ms L Malatjie, Mayors, Chief Financial Officers, Municipal Managers, Councillors for their attendance and active participation during the oversight visit to underperforming municipalities. She further thanked the Legislature staff for providing support to the Committee.

Lastly, the Chairperson requests, on behalf of the Portfolio Committee, that the House adopts the report with its findings and recommendations.



HON. P NGOBENI

**ACTING CHAIRPERSON: PORTFOLIO COMMITTEE ON
HUMAN SETTLEMENTS, CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS**

17/10/2017
DATE