

MINUTES

of the

**1ST ORDINARY COUNCIL MEETING
FOR THE YEAR 2016**

of

MATJHABENG MUNICIPALITY

held on

THURSDAY, 28 JANUARY 2016

at

16:30

**COUNCIL CHAMBERS, CIVIC CENTRE,
WELKOM**

**COUNCILLORS ATTENDANCE: 1ST ORDINARY COUNCIL MEETING
MINUTES: 28 JANUARY 2016**

| PROPORTIONAL | | | |
|---------------------|---|-----|--------------------------------|
| 1. | Stofile B (Speaker) | 19. | Mlangeni MG |
| 2. | Twala MJ (Council Whip) (Apology) | 20. | Mokotedi TG |
| 3. | Ngangelizwe S (Executive Mayor) | 21. | Motshabi MP (Apology) |
| 4. | Badenhorst MJ | 22. | Ntsebeng MH (Apology) |
| 5. | Banyane ME | 23. | Nqeobo EM (Apology) |
| 6. | Botha PF) | 24. | Petleki KI |
| 7. | Chaka CP | 25. | Pina NJ |
| 8. | Fanie D (Apology) | 26. | Radebe MC |
| 9. | Fourie JJC | 27. | Radebe ML |
| 10. | Kabi M | 28. | Rubulana L |
| 11. | Kockera SC (Apology) | 29. | Sephiri MJ |
| 12. | Mafa DM | 30. | Speelman NW |
| 13. | Mafongosi ZV | 31. | Styger A |
| 14. | Malefane DE | 32. | Taljaard SDM |
| 15. | Marais JS | 33. | Tihone ML |
| 16. | Mbana MA | 34. | Tsubane ME |
| 17. | Menyatso KJ (Sick) | 35. | Vanga NM |
| 18. | Mholo PP | 36. | Van Rooyen V |
| WARD | | | |
| 37. | Beneke R (Apology) | 55. | Mosala MS |
| 38. | De Villiers MT | 56. | Mothege MA |
| 39. | Dali VN (Absent) | 57. | Mphikeleli MA |
| 40. | Khalipha TD (Apology) | 58. | Naude HJ (Apology) |
| 41. | Mabote TL | 59. | Ntlele KI |
| 42. | Madumise MM (Absent) | 60. | Phetise ME |
| 43. | Makgowe PV | 61. | Qwasha GL (Apology) |
| 44. | Masienyane MD | 62. | Riet MI |
| 45. | Mbambo AX | 63. | Sifatya Z |
| 46. | Meli S | 64. | Taliwe FE (Apology) |
| 47. | Mfebe MSE | 65. | Thateng MJ |
| 48. | Mokhomo HA | 66. | Thelingoane TJ |
| 49. | Molelekoa PA (Apology) | 67. | Tlake KR |
| 50. | Molelekoa PMI | 68. | Tsatsa SJ |
| 51. | Molete TN | 69. | Tsubella KS |
| 52. | Molupe RT (Apology) | 70. | Smit DC (Apology) |
| 53. | Monjovo NE | 71. | Van Rooyen MS |
| 54. | Morris VR | 72. | Van Schalkwyk HCT |



OFFICIALS

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|------------------|---|--|
| Mr MF Lepheana | : | Municipal Manager |
| Mr T Makofane | : | Executive Director: Strategic Support Services |
| Mr FF Wetes | : | Executive Director: Corporate Services |
| Mr ET Tsoaeli | : | Chief Financial Officer |
| Mr X. Msweli | : | Executive Director: LED, Planning & HS |
| Me M. Mogopodi | : | Executive Director: Community Services |
| Me H.B. Tlhabani | : | Executive Director: Infrastructure |
| Mr M. Atolo | : | Senior Manager: Council Admin |
| Ms PP Seleka | : | Admin Officer (Corporate Services) |

III

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| (a) | <p>Opening</p> <p>The Speaker welcomed everybody present at the 1st Ordinary Council Meeting and declared the meeting open.</p> |
| (b) | <p>Applications for leave of absence</p> <p>See Councillors' attendance list on page I of these minutes.</p> |
| (c) | <p>Official announcements of the Speaker</p> <p>The Speaker announced that as from the 1st of February 2016 the Executive Mayor, Cllr S. Ngangelizwe would commence with the process of issuing Title Deeds to qualifying individuals at respective Wards in Matjhabeng, as follows:</p> <p>1st February 2016 : Wards 2 and 3 3rd February 2016 : Ward 17 4th February 2016 : Ward 6</p> |
| (d) | <p>Reports received from the Speaker</p> <p>None</p> |
| (e) | <p>Motions of sympathy and congratulations by the Speaker</p> <p><u>Congratulations</u></p> <p>The Speaker congratulated the South African National Cricket Team, the Proteas, for making the Country proud by winning the fourth Test match against England at Centurion and wished them success in other Test series.</p> |
| (f) | <p>Motions of sympathy and congratulations by other Councillors</p> <p>None</p> |
| (g) | <p>Deputations and interviews</p> <p>Presentation : Auditor General</p> <p>The Speaker welcomed Mr Mamogwe, an AG Senior Manager responsible for Audit of Matjhabeng Municipality for the Financial Period 2014/15 and allowed him to make his presentation.</p> <p>Mr Mamogwe informed Council that Matjhabeng Local Municipality has received a Disclaimer of Opinion for the current financial year, which simply means that Auditors were unable to obtain sufficient supporting documentation for the amounts reflected in financial statements and also on some achievements reported in the Annual Report as well as for non-compliance with key legislation.</p> <p>He then detailed the following findings:</p> <ul style="list-style-type: none"> ✓ That on the previous financial year, Matjhabeng qualified on 19 items which included non-current and current assets such as expenditure, revenue and unauthorized irregular and fruitless expenditure but for the current financial year there was an improvement as Matjhabeng qualified on 12. ✓ Unauthorized expenditure for the current financial year amounted to approximately R443 million but there was a decrease of R9 million in comparison to the previous financial years. |

IV

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| | <p>✓ Irregular expenditure for 2014/15 financial year increased to R140 million as a result of month-to-month contracts and the accumulating total will amount to R256 054 096.00.</p> <p>✓ Fruitless and wasteful expenditure stood at R 151 822 61.00 and there was an increase of R47 million in comparison to the previous financial year.</p> <p>✓ 39 paragraphs of non-compliance with key legislation for the 2013/14 financial year and a slight improvement of 38 in the current financial year.</p> <p><i>He stated that they had identified the following root causes that need to be corrected:</i></p> <ul style="list-style-type: none"> ✚ Slow response to Audit queries by Management ✚ Inadequate Consequence Management ✚ Lack of competencies in supporting positions, i.e. Asset Management Division ✚ Importance of Assurance Providers – MPAC very important Assurance Provider ✚ Importance of involvement of the Municipal Manager in the Audit Process in order to assist in Risk Management, monitoring and implementation of Consequence Management ✚ Assistance from Senior Management for record keeping, reconciliations and daily checks and balances, supporting documents etc. ✚ Strengthening control on ICT <p>The Speaker thanked Mr Mamogwe for his presentation.</p> |
| (h) | <p>Disclosure of interest</p> <p>The Speaker reminded Councillors to update their declaration forms at the office of the Municipal Manager each year, however if a Councillor has a personnel/financial interest on any matter for consideration by Council, such Councillor has to declare his/her interest in the meeting.</p> |
| (i) | <p>Minutes of the previous meeting: 26 November 2015</p> <p>Council resolved (28 January 2016):</p> <p>That the minutes of the 6th Ordinary Council meeting held on 26 November 2015 BE ADOPTED subject to the following corrections:</p> <ol style="list-style-type: none"> 1. <i>That Council Administration should remove the names of Political Parties in the Councillors’ Attendance list.</i> 2. <i>That the phrase “for investigation” in the second resolution of Item A147 on page 15 of the minutes be deleted and the resolution should read as follows:-</i> <p>“That the Supply Chain Management Unit quarterly report for the period July-September 2015 BE REFERRED to MPAC.”</p> |

V

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| | <p>Minutes of the previous meeting: 14 December 2015</p> <p>Council resolved (28 January 2016):</p> <p><i>That the minutes of the 4th Special Council meeting held on 14 December 2015 BE ADOPTED as a true reflection of the deliberations of the meeting.</i></p> <p>Minutes of the previous meeting: 12 January 2016</p> <p>Council resolved (28 January 2016):</p> <p>That the minutes of the 1st Special Council meeting held on 12 January 2016 BE ADOPTED subject to the following corrections:</p> <ol style="list-style-type: none"> 1. <i>That the name of Cllr JJC Fourie should not be reflected as absent as he had submitted a written apology for that meeting.</i> 2. <i>That the Municipal Manager should FIND OUT whether the Municipality was graded in terms of the budget or population and if it was graded in terms of population he must INFORM Council with regard to the population of Matjhabeng.</i> |
| (j) | <p>Matters arising from the minutes: Minutes of 26 November 2015</p> <p>A97/2015</p> <ol style="list-style-type: none"> 1. Cllr K.R. Tlake requested that administration SHOULD BE PUSHED to implement the resolution pertaining to the disposal of the land for churches, as it was not implemented yet, although he had raised his concern regarding this matter in the previous meeting. <p>Questions of which notice was given</p> <ol style="list-style-type: none"> 1. Cllr PP Mholo raised his concern with regard to the non-inclusion of the progress pertaining to questions raised on Items A122/2015 and A123/2015 to the agenda, although the Municipal Manager committed to do so. He then requested that the progress on Item A122/2015 and response to Item A123/2015 BE INCLUDED in the next Council meeting. 2. Cllr HCT van Schalkwyk informed the Council that there were STILL NO Traffic Officers and dustbins at Goldfields FET College yet. |
| (k) | <p>Questions of which notice were given</p> <p>None</p> |
| (l) | <p>Report of the Executive Committee/Executive Mayor/Committee Reports</p> <p>A1/2016 – A9/2016</p> |
| (n) | <p>Motions</p> <p>None</p> |
| (o) | <p>Closing</p> <p>The Speaker thanked everyone who participated and ended the meeting at 19h20.</p> |

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CLLR B. STOFIE (SPEAKER)

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DATE

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1

A1/2016

CURRENT STATUS OF CAPITAL PROJECTS FOR MIG IN MATJHABENG LOCAL MUNICIPALITY (EDI) (PMU) (6/4/1)

PURPOSE

To present before Council the current status and/or progress report on the implementation of capital projects for the financial year 2015/2016.

DISCUSSION

The Executive Mayor presented the item to Council.

COUNCIL RESOLVED: (28 JANUARY 2016)

1. That Council **TAKES NOTE** of the report.

A2/2016

MONTHLY FINANCE REPORT – NOVEMBER 2015 (CFO) (12/1/2/3)

PURPOSE

To submit to Council the Monthly Finance Report for November 2015 in terms of Section 71 of the Municipal Finance Management Act, No. 56 of 2003.

DISCUSSION

The Executive Mayor presented the item to Council.

COUNCIL RESOLVED: (28 JANUARY 2016)

1. That the Finance Report for November 2015 in terms of Section 71 of the Municipal Finance Management Act, No. 56 of 2003 **BE NOTED**.
2. That the Finance Report for November 2015 in terms of Section 71 of the Municipal Finance Management Act, No. 56 of 2003, **BE SUBMITTED** to Provincial and National Treasury.

A3/2016

MONTHLY FINANCE REPORT – DECEMBER 2015 (CFO) (12/1/2/3)

PURPOSE

To submit to Council the Monthly Finance Report for November 2015 in terms of Section 71 of the Municipal Finance Management Act, No. 56 of 2003.

DISCUSSION

The Executive Mayor presented the item to Council.

COUNCIL RESOLVED: (28 JANUARY 2016)

1. That the Finance Report for December 2015 in terms of Section 71 of the Municipal Finance Management Act, No. 56 of 2003 **BE NOTED**.
2. That the Finance Report for December 2015 in terms of Section 71 of the Municipal Finance Management Act, No. 56 of 2003, **BE SUBMITTED** to Provincial and National Treasury.

A4/2016

THREE MONTHS FINANCE REPORT – OCTOBER - DECEMBER 2015 (CFO) (12/1/2/3)

PURPOSE

To submit to Council the three Months Finance Report for October - December 2015 in terms of Section 52(d) of the Municipal Finance Management Act, No. 56 of 2003.

DISCUSSION

The Executive Mayor presented the item to Council.

COUNCIL RESOLVED: (28 JANUARY 2016)

1. That the Finance Report for the Second Quarter (October - December) in terms of Section 52(d) of the Municipal Finance Management Act, No. 56 of 2003 **BE NOTED**.
2. That the Finance Report for the Second Quarter (October - December) 2015 in terms of Section 52(d) of the Municipal Finance Management Act, No. 56 of 2003, **BE SUBMITTED** to Provincial and National Treasury.

A5/2016

MID-YEAR BUDGET AND PERFORMANCE REPORT- 1 JULY 2015 - 31 DECEMBER 2015 (ED: SSS) (CFO) (12/1/1)

PURPOSE

To present to Council a report on the performance of the Municipality for the period 1 July 2015 to 31 December 2015 as required by legislation.

DISCUSSION

The Executive Mayor presented the item to Council.

COUNCIL RESOLVED: (28 JANUARY 2016)

1. That the Financial and Non-financial Reports for the period of six months (July-December 2015) in terms of Section 72 of the Municipal Finance Management Act, No. 56 of 2003 **BE NOTED**.
2. That all amendments recommended in the SDBIP (non-financial report) as a result of the Auditor General's report for 2014/2015 also be reflected in the project Chapter of the IDP for 2015/2016 financial year and **BE SUBMITTED** to the next Council for noting.
3. That both the Financial and Non-Financial Reports for period of six months (July - December 2015) in terms of Section 72 of the Municipal Finance Management Act, No. 56 of 2003 **BE SUBMITTED** to Provincial and National Treasury.
4. That all amendments affecting the Heads of Departments' performance **BE SIGNED** by each HOD and **ANNEXED** to their Performance Agreements.

A6/2016

SUBMISSION OF AUDIT QUERY ACTION PLAN FOR 2014/15 FINANCIAL YEAR (CFO) (6/12/2/1)

PURPOSE

To submit to Council the Audit Query Action Plan for the audit queries raised during the 2014/15 reporting year.

DISCUSSION

The Executive Mayor presented the item to Council.

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COUNCIL RESOLVED: (28 JANUARY 2016)

1. That the Audit Query Action Plan in terms of Section 122, 126 and 131 of the Municipal Finance Management Act, No. 56 of 2003 **BE NOTED**.
2. That the Audit Action Plan **BE SUBMITTED** to Provincial Treasury as part of monitoring and support.

A7/2016

DRAFT ANNUAL REPORT 2014/2015: MATJHABENG LOCAL MUNICIPALITY (MM) (12/1/1)

PURPOSE

The purpose of the item is to table the Draft Annual Report of the financial year 2014/2015 to Council for consideration.

DISCUSSION

The Executive Mayor presented the item to Council.

COUNCIL RESOLVED: (28 JANUARY 2016)

1. That Council **APPROVES** the draft Annual report for 2014/2015 financial year.
2. That the draft report **BE SUBMITTED** to Provincial Treasury, Auditor General, National Treasury and COGTA.
3. That the report **BE SUBMITTED** to MPAC for consideration and MPAC **MUST SUBMIT** a report of their findings back to Council.
4. That the name of Cllr Mholo which is reflected under Cllr Mlangeni's photo on page 35 of the Draft Annual Report 2014/15 **BE CORRECTED** to read as "Cllr Mlangeni".
5. That the word "were" on the second paragraph of page 47 of the Draft Annual Report 2014/15 **BE CORRECTED** to read as "are".
6. That the Executive Mayor would interact with some officials and **VERIFY** some information on page 150 of the Draft Annual Report 2014/15.
7. That the corrections identified by the Executive Mayor should **BE RECTIFIED** with immediate effect before the report is subjected to public participation.

5

//The Executive Mayor requested that item A8/2016 on page 19 of the Agenda be replaced by the document that was distributed in Council.//

A8/2016

MUNICIPAL ADJUSTMENT BUDGET (2015/2016) (CFO) (6/1/1/1)

PURPOSE

To submit to Council a recommendation for an Adjustment Budget in terms of Section 28 of the Municipal Finance Management Act No. 56 of 2003.

DISCUSSION

The Executive Mayor presented the item to Council.

The Executive Mayor reminded Council that the municipal approach for the 2015/16 financial year Budget was guided by the Back to Basics Principle which encourages municipalities to consider a people-centred and ward based budget.

He mentioned that due to the current downtrend in socio-economic conditions as well as other factors such as the decreased pay-rate, escalating employee-related costs, disapproval of electricity tariff increase by NERSA etc., the Municipality was expected to do more with lesser resources.

The Executive Mayor indicated that the approved budget for 2015/16 was R2 069 171 246. Although the budget was based on a projected pay rate of 80%, the current average pay rate was 56% and the total income percentage was 61% as at December 2015. The disapproval of electricity tariff increase by NERSA resulted in a shortfall of R23 million.

Based on the above factors, the Executive Mayor informed Council that Section 28(1) of the Municipal Financial Management Act, No. 56 of 2003 states that a municipality may revise an annual budget through an adjustment budget. He therefore proposed that the Capital Budget should remain unadjusted and the Operational Budget for the 2015/16 financial year be adjusted downwards with R23 000 000 to R2 046 171 246.

COUNCIL RESOLVED: (28 JANUARY 2016)

1. That the 2015/2016 Draft Adjustment Budget **BE APPROVED**.
2. That the 2015/2016 Budget **BE ADJUSTED** by R23 000 000.00.

A9/2016

**REQUEST TO AUTHORIZE TOTAL WITHDRAWAL OF FUNDS FROM
MATURED RMB GUARANTEED INVESTMENT PLAN (CFO)**

PURPOSE

To request authorization for the total withdrawal of funds and nominating a person(s) to sign all documentation.

DISCUSSION

The Executive Mayor presented the item to Council.

COUNCIL RESOLVED: (28 JANUARY 2016)

1. That Council **APPROVES** the total withdrawal of RMB Guaranteed Investment Plan.
2. That the Municipal Manager **MUST INVESTIGATE** the interest accrued each year, beginning from the first year of investment to date and **SUBMIT** a report on the interest in the next Council meeting.