

MINUTES

of the

**2ND SPECIAL COUNCIL MEETING
OF THE 4TH TERM**

of

MATJHABENG MUNICIPALITY

held on

THURSDAY, 03 NOVEMBER 2016

at

10:00

**COUNCIL CHAMBERS, CIVIC CENTRE,
WELKOM**

COUNCILLORS ATTENDANCE

2ND SPECIAL COUNCIL MEETING OF THE 4TH TERM MINUTES 03 NOVEMBER 2016

| PROPORTIONAL | | | |
|---------------------|---|-----|---|
| 1. | Stofile B (Speaker) | 19. | Moipatle KSV |
| 2. | Sephiri MJ (Chief Whip) (Apology) | 20. | Mthebere NA (Absent) |
| 3. | Speelman NW (Executive Mayor) | 21. | Ngesi TM |
| 4. | Badenhorst MJ (Apology) | 22. | Ntsebeng MH |
| 5. | Botha PF | 23. | Phofeli NM (Absent) |
| 6. | Direko DR | 24. | Presente LN |
| 7. | Jacobs EJ | 25. | Radebe MC |
| 8. | Kabi M | 26. | Radebe ML |
| 9. | Khetsi LE (Apology) | 27. | Rakaki MM |
| 10. | Letlhake TW (Apology) | 28. | Ramabodu BM |
| 11. | Lushaba TB (Apology) | 29. | Senxezi ME (Apology) |
| 12. | Macingwane MT (Apology) | 30. | Sithole AM (Apology) |
| 13. | Mafaisa MG | 31. | Styger A (arrived at 11h29) |
| 14. | Manenye AJ | 32. | Taljaard SDM |
| 15. | Manese SD | 33. | Thelingoane NE |
| 16. | Marais JS | 34. | Tshopo ME |
| 17. | Masina XN | 35. | Tsoaeli MS (Absent) |
| 18. | Mbana MA | 36. | Tsupa MR |
| WARD | | | |
| 37. | Badenhorst HS | 55. | Moshoeu ZS |
| 38. | Chaka MS | 56. | Mosia TJ |
| 39. | Daly A (Apology) | 57. | Mphikeleli MA |
| 40. | Khalipha TD (Apology) | 58. | Nkonka BB |
| 41. | Khothule MJ | 59. | Nthako TD |
| 42. | Liphoko SJ | 60. | Ntuli BN |
| 43. | Mafa DM | 61. | Pholo SJ |
| 44. | Mahlumba BH | 62. | Poo IP |
| 45. | Malherbe C | 63. | Ramalefane SJ |
| 46. | Manzana NR | 64. | Ramatisa PT |
| 47. | Masienyane MD | 65. | Schlebusch CJ |
| 48. | Meli TS | 66. | Sebotsa MM |
| 49. | Mokhomo HA | 67. | Thelingoane TJ |
| 50. | Molefi M | 68. | Tlake KR (Apology) |
| 51. | Molelekoa PMI | 69. | Tsatsa SJ |
| 52. | Moloja NJ | 70. | Tshabangu SE |
| 53. | Monjovo NE | 71. | Van Rooyen MS (arrived at 10h25) |
| 54. | Morris VR | 72. | Van Schalkwyk HCT |



EXECUTIVE MANAGEMENT

| | | |
|-------------------|---|--|
| Mr MF Lepheana | : | Municipal Manager |
| Mr T. Makofane | : | Executive Director: Strategic Support Services |
| Mr ET Tsoaeli | : | Chief Financial Officer |
| Mr FF Wetes | : | Executive Director: Corporate Services |
| Mr X. Msweli | : | Executive Director: LED, Planning & HS |
| Me M. Mogopodi | : | Executive Director: Community Services |
| Me HB Maswanganyi | : | Executive Director: Infrastructure |

COUNCIL ADMINISTRATION SECRETARIAT

| | | |
|--------------|---|------------------------------------|
| Mr M. Atolo | : | Senior Manager: Council Admin |
| Me PP Seleka | : | Admin Officer (Corporate Services) |

III

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|-----|--|
| (a) | Opening The Speaker welcomed everybody present at the 2 nd Special Council meeting of the 4 th term and declared the meeting open. |
| (b) | Applications for leave of absence See Councillors' attendance list on page I of these minutes. |
| (c) | Official announcements of the Speaker None |
| (d) | Motions of sympathy and congratulations None |
| (e) | Disclosure of interest The Speaker reminded Councillors to update their declaration forms at the office of the Municipal Manager, 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. |
| (f) | Matters for discussion SA39/2016 – SA41/2016 |
| (g) | Closing The Speaker thanked everyone who attended and ended the meeting at 15h30 . |

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CLLR B. STOFIE (SPEAKER)

.....
DATE

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1

Cllr P.M.I Molelekoa was appointed to preside in order to allow the Speaker to present Item SA39/2016 to Council.

Cllrs TM Ngesi and SE Tshabangu objected to the vacation of the chair by the Speaker and suggested that the Speaker was only allowed to vacate his chair when he presents a report in terms of Rules 99.

The Speaker explained that Rule 23 (2), which reads as follows *“Whenever the speaker is absent from or unable to preside at or during any part of a council meeting, the council must elect from amongst the councilors present at that meeting an acting speaker for the duration of the speaker’s absence or inability”*, allows Council to appoint another Councillor to chair the meeting.

He also mentioned that in terms Rule 78 (g) the Speaker is supposed to present his Reports apart from the reports presented in terms of Rule 99 and therefore during that period in which he is unable to preside, Council is allowed to appoint another Councillor to preside.

The Executive Mayor affirmed that Rule 23 (2) is applicable and Councillor PMI Molelekoa was allowed to preside.

SA39/2016

CORRESPONDENCE FROM THE OFFICE OF THE AUDITOR GENERAL ON NON-SUBMISSION OF FINANCIAL STATEMENTS BY MATJHABENG MUNICIPALITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (SPEAKER) (6/12/2/1)

PURPOSE

To present before Council a letter received from the Office of the Auditor General on non-submission of financial statements for the financial year ended 30 June 2016, for noting.

DISCUSSION

The Speaker presented the item to Council.

COUNCIL RESOLVED: (03 NOVEMBER 2016)

1. That the phrase *“financial statements”* reflected on the second sentence in paragraph two of the Agenda background and on paragraph four **BE CORRECTED** to read as *“Fixed Asset Register”*.
2. That Council **TAKES NOTE** of the letter received from the Office of the Auditor General on non-submission of financial statements by Matjhabeng Local Municipality for the financial year ended 30 June 2016.

2

3. That Council **MANDATES** the Executive Mayor to submit a report on action or remedial measures taken against Market Demand.
4. That an investigation on the possibility of doing financial statements internally **BE CONDUCTED**.
5. That provisions of Section 133 of the Municipal Finance Management Act **BE IMPLEMENTED** to the latter.

//The Speaker resumed his position\\

SA40/2016

SUBMISSION OF ANNUAL FINANCIAL STATEMENTS FOR 2015/2016 FINANCIAL YEAR END ON 17 OCTOBER 2016 (MM) (6/12/2/1)

PURPOSE

To inform Council of the submission of Annual Financial Statement (AFS) on the 17th October 2016, to the Office of the Auditor General.

DISCUSSION

The Executive Mayor presented the item to Council.

COUNCIL RESOLVED: (03 NOVEMBER 2016)

1. That Council **TAKES NOTE** that the Annual Financial Statements for 2015/2016 were submitted on the 17th of October 2016 to the Office of the Auditor General.
2. That the Free State Provincial Treasury **WAS INFORMED** of the submission.
3. That the Free State Department of Corporative Governance & Traditional Affairs (COGTA) **WAS INFORMED** of the submission.
4. That the process of establishment of an Audit Committee **BE EXPEDITED**.

40.1/2016

WRITE-OFF OF INCOMPATIBLE AND REDUNDANT WATER METERS (MM) (19/2/5)

PURPOSE

To request Council to approve the Write-Off of water meters that cannot be installed on the water reticulation network of the Municipality.

3

DISCUSSION

The Executive Mayor presented the item to Council.

COUNCIL RESOLVED: (03 NOVEMBER 2016)

1. That Council **APPROVES** the write-off of **WATER METERS** that cannot be installed on the water reticulation network of the Municipality **BUT NOT THE EXPENDITURE** incurred.
2. That Council **CLASSIFIES** the expenditure incurred as a result of these water meters as fruitless and wasteful and therefore **MANDATES** the Municipal Public Accounts Committee (MPAC) to deal with the matter.

40.2/2016

FRAUD INVESTIGATIONS 2015/16 FINANCIAL PERIOD (MM) (5/6/2)

PURPOSE

To bring to attention of Council the fraudulent activities that have taken place in the Municipality during the 2015/16 financial period.

DISCUSSION

The Executive Mayor presented the item to Council.

COUNCIL RESOLVED: (03 NOVEMBER 2016)

1. That Council **TAKES NOTE** of the 2015/16 fraudulent activities reported to SAPS/hawks.
2. That a report in which Council is updated about the progress of the case **BE SUBMITTED** within a period of three (3) months.
3. That the Municipal Manager **SHOULD HANDLE** further relationship with Tiro Ya Nnete Trading and Projects company in terms of all provisions of Public Administrative Justice Act.

40.3/2016

RELATED PARTIES (MM) (3/1/1)

PURPOSE

To bring to the attention of Council the related parties transaction that occurred during the 2015/16 financial period.

4

DISCUSSION

The Executive Mayor presented the item to Council.

COUNCIL RESOLVED: (03 NOVEMBER 2016)

1. That Council **TAKES NOTE** of the 2015/16 related parties reported.
2. That an investigation should **BE CONDUCTED** to find out whether the concerned employee was involved in any financial transaction of the MBV Security Company and a report pertaining to the findings **BE SUBMITTED** to Council.
3. That the Municipal Manager should **EITHER TERMINATE** the contract of the MBV Security Company **OR REQUEST** the employee **TO RESIGN OR TRANSFER** her to another position.
4. That an investigation **BE CONDUCTED** to find out whether other employees are not involved in similar activities.

40.4/2016

REQUEST FOR COUNCIL TO TRANSFER LAND NOT HELD FOR EXCHANGE TRANSACTIONS FOR THE 2015/16 FINANCIAL YEAR END (MM) (8/3/1)

PURPOSE

To submit a request to Council for land not held for distribution through a non-exchange transaction (land to be distributed at no charge).

DISCUSSION

The Executive Mayor presented the item to Council.

COUNCIL RESOLVED: (03 NOVEMBER 2016)

1. That Council **SHOULD REQUEST** the services of the State Law Advisor as well as the Department of Human Settlements for the transfer of land as per attached Annexures.
2. That Council **NOTES** the accounting treatment of the land where RDP houses, clinics, schools, informal settlements, libraries and churches have been built.
3. That all abandoned sites **BE INCLUDED** in the list so that they can be dealt with at once as the audit pertaining to that was done in the previous term but if that information cannot be traced, Council can make a review.

40.5/2016

REQUEST FOR COUNCIL TO WRITE-OFF OBSOLETE TRANSPORT ASSETS FOR THE 2015/16 FINANCIAL YEAR END (MM) (7/1/2/1)

PURPOSE

To submit a request to Council for the write-off of obsolete transport assets and to take note of transport assets which could not be verified for existence during physical verification process of the transport assets for which fair value had to be determined.

DISCUSSION

The Executive Mayor presented the item to Council.

COUNCIL RESOLVED: (03 NOVEMBER 2016)

1. That Council **TAKES NOTE** of the transport assets not physically verified and notes that these were reported to the police as stolen/missing and the internal investigations are taking place.
2. That Council **TAKES NOTE** of the items of transport assets to be deregistered and taken-off from the Municipality's fixed asset register.
3. That Council **APPROVES** the write-off of these transport assets from the fixed Asset register.
4. That Council **APPROVES** the write-off of scrap transport assets in terms of S14(2)(a) of MFMA and for management to follow Supply Chain Management Policy of the Municipality in the disposal of the assets to ensure that the process is fair, equitable and transparent.

40.6/2016

REQUEST FOR COUNCIL TO WRITE-OFF OBSOLETE MOVABLE ASSETS FOR THE 2015/16 FINANCIAL YEAR END (MM) (7/2/1/1)

PURPOSE

To submit a request to Council to write-off obsolete movable assets.

DISCUSSION

The Executive Mayor presented the item to Council.

COUNCIL RESOLVED: (03 NOVEMBER 2016)

1. That the item **BE REFERRED BACK** for further investigation by the Internal Auditors.

40.7/2016

REQUEST FOR COUNCIL TO APPROVE AMENDMENTS TO THE ASSET MANAGEMENT POLICY (MM) (7/1B)

PURPOSE

To submit a request to Council to approve amendments to the Asset Management Policy.

DISCUSSION

The Executive Mayor presented the item to Council.

COUNCIL RESOLVED: (03 NOVEMBER 2016)

1. That Council **ADOPTS** the proposed amendments to the Municipality's Asset Management Policy.
2. That a workshop **BE CONDUCTED** to enable Councillors to give their inputs with regard to the Policy.
3. That the policy **BE SUBJECTED** to a public participation process.
4. That the final policy which includes all inputs **BE RE-SUBMITTED** to Council for approval.

SA41/2016

REPORT OF MULTI-PARTY COMMITTEE ON THE PROPOSED WITHDRAWAL OF THE MATJHABENG LOCAL MUNICIPAL COUNCILLORS FROM THE MUNICIPAL COUNCILLORS' PENSION FUND (MCPF) (SPEAKER) (5/4/4/1/1)

PURPOSE

To submit a report of the Multi-party Committee on proposed withdrawal of the Matjhabeng Local Municipal Councillors from the Municipal Councillors' Pension Fund.

DISCUSSION

The Speaker presented the item to Council.

COUNCIL RESOLVED: (03 NOVEMBER 2016)

1. That Council **RESCINDS** resolution 7 taken on Item SA37/2016 at the Special Council meeting held on 14 October 2016 and **RECOMMENDS** that Councillors who were members of the MCPF **SHOULD NOT CONTINUE** to contribute to MCPF.

7

2. That Council **STRONGLY RECOMMENDS** that Councillors should join CRF.
3. That Corporate Services and Finance should **INVITE** CRF representatives to make a presentation on their Pension Fund product for Matjhabeng Councillors on Tuesday, the 8th November 2016.
4. That the Municipal Manager with the assistance of Cllr A. Styger should **FIND OUT** what would be the legal and financial implications on Council and individual members on the decision to withdraw from MCPF and **SUBMIT FEEDBACK** to Council.