

UGU DISTRICT MUNICIPALITY

**MINUTES OF THE 2ND MEETING OF THE UGU DISTRICT MUNICIPAL COUNCIL
HELD IN THE COUNCIL CHAMBERS, RAY NKONYENI MUNICIPALITY,
10 CONNOR STREET, PORT SHEPSTONE, ON THURSDAY, 27 OCTOBER 2016,
AT 11H00.**

PRESENT:

Cllr NH Gumede - Speaker

Cllr IM Mavundla (Exco Member) SP Mthethwa (Exco Member), LMR Ngcobo (Exco Member), NT Zwane (Exco Member), SN Caluza, BT Cele, DZ Cele, TA Disane, TW Dube, M Gcwabe, GD Henderson, DMM Hlengwa, SE Khawula, BE Machi, MA Manyoni, S Mngomezulu, NCP Mqwebu, M Lubanyana, ZZ Msani, Y Nair, JJ East, D Nciki, SR Ngcobo, HJ Ngubelanga, B Ntusi, and A Rajaram.

ALSO PRESENT:

Inkosi NM Machi
Inkosi ZG Ngcobo
Inkosi R Qwabe
Inkosi ZGB Msomi

BY INVITATION:

Mr S Buthelezi - Municipal Councillors Pension Fund

IN ATTENDANCE:

Mr DD Naidoo - Municipal Manager
Ms Z Mbonane - General Manager: Infrastructure and Economic Development (IED)
Ms F Mbili - Senior Manager: Corporate Strategy and Shared Services
Mr F Zama - Senior Manager: Mayoralty and Communications
Ms Z Dlamini - Manager: Internal Audit
Ms MS Olivier - Manager: Legal Services
Ms B Malishe - Committee Co-ordinator
Ms T Kikine - Committee Clerk

• **OPENING**

The Speaker welcomed all to the meeting; especially the members of the public and the representatives from the Municipal Councillors Pension Fund. She further welcomed the pupils from Primary School from Gamalakhe, which was co-ordinated by the Esayidi FET College.

She explained to Council that she was initially approached by the said students who had made a request to be assisted with musical instruments. She informed members that she then took the initiative to seek for a sponsor for musical

instruments for the said students, and as a token of appreciation, they had requested that they be granted an opportunity to open the meeting with the National Anthem.

Thereafter, the Speaker shared a few words of appreciation and encouragement to the said students.

C 207/10/16 NOTICE OF MEETING

The notice of meeting was taken as read.

C 208/10/16 APPLICATIONS FOR LEAVE OF ABSENCE

It was noted that Cllrs OT Mnyayiza (*indisposed*), PH Mthiyane (*study leave*), BT Cele (*council business*), SB Cele (*indisposed*), PT Naude (*overseas*), H Mbatha (*study leave*) and Y Nair (*family commitment*) had requested leave of absence from the meeting.

Cllr SR Ngcobo requested to be excused from the meeting at 11h20, to attend to another urgent meeting. He also apologized for Cllr MPL Zungu, who was away on council business.

It be noted that Cllr DMM Hlengwa also requested to be excused from the meeting at 13h00 given that she was not feeling well.

The Speaker assured members that the meeting would be concluded by 13h00.

It was also noted that Inkosi RS Shinga (*traditional council business*), Inkosi BS Nzimakwe (*traditional council business*) and Inkosi MBW Xolo (*traditional council business*) had requested leave of absence from the meeting.

The Municipal Manager reported that the Deputy Mayor and the General Manager: Water Services had attended to a municipal emergency and would join the meeting at a later stage.

He also requested that an apology should be recorded on behalf of Cllr NY Mweshe, who was supposed to have been sworn in, as a Councillor.

From the Management component, it was noted that the General Manager: Corporate Services (*study leave*) and the General Manager: Treasury (*urgent matter*) had requested leave of absence from the meeting. It was noted that Mr VO Mazibuko was representing the General Manager: Corporate Services and that Mr F van Rooyen was representing the General Manager: Treasury respectively.

Cllr Machi emphasized that all Councillors should ensure that their leave of absence forms were signed and submitted accordingly, and the Speaker echoed the same sentiments.

The Speaker raised a sharp concern on the number of applications for leave of absence that was received. She then emphasized that all the members should take the meetings of the Ugu District Municipal Council seriously, and should only apply for leave if there was an urgent matter.

Following discussion,

It was unanimously

RESOLVED:

- (a) That Cllrs OT Mnyayiza (*indisposed*), PH Mthiyane (*study leave*), BT Cele (*council business*), BT Cele (*indisposed*), PT Naude (*oversees*), H Mbatha (*study leave*) and Y Nair (*family commitment*) be and are hereby granted leave of absence from the meeting.
- (b) That Inkosi RS Shinga (*traditional council business*), Inkosi BS Nzimakwe (*traditional council business*) and Inkosi MBW Xolo (*traditional council business*) be and are hereby granted leave of absence from the meeting.
- (c) That, it be noted that the Deputy Mayor and the General Manager: Water Services would join the meeting late.
- (d) That from the Management component, it was noted that the General Manager: Corporate Services (*study leave*) and the General Manager: Treasury (*urgent matter*) be and are hereby granted leave of absence from the meeting.

C 209/10/16

DECLARATION OF INTEREST

It was noted that there were none.

C 210/10/16

CONFIRMATION OF AGENDA

The Speaker took members through the confirmation of the agenda.

The Municipal Manager advised that there was a First Addendum. He also requested that after Item 4, he be given an opportunity to present the Awards for Employees. Furthermore, he requested that Item 10.2 Presentation on Municipal Pension Fund should be prioritised.

Cllr Mavundla proposed that Item 11 should be removed from the agenda given that Amakhosi were members of the Ugu District Municipal Council and should be allowed to present any item directly to the Office of the Speaker for inclusion on the agenda and was supported by Cllr SR Ngcobo.

It be noted that Inkosi Machi supported the proposal. He then sought clarity if members of Council were only allowed to communicate in Council using the English language, or if the use of other official languages were also permitted.

Responding, the Speaker pointed out that there were many official languages in South Africa; one being IsiZulu. She indicated that the Municipality should also consider translating documents to other official languages.

Cllr Machi suggested that Amakhosi should be allowed to participate in Council in the language that they were comfortable with.

Following discussion,

It was unanimously

RESOLVED:

- (a) That the agenda convening the Ugu District Municipal Council meeting be and is hereby **CONFIRMED**, subject to the following:
- Item 10.2 Presentation on Councillors Pension Fund be prioritised;
 - Inclusion and prioritisation of the item relating to the Presentation of Awards to Employees.
- (b) That Item 11 "Items from Amakhosi" be removed from the agenda.
- (c) That Amakhosi be allowed to present any item directly to the Office of the Speaker for inclusion on the agenda.
- (d) That Amakhosi be allowed to participate in Council in the language that they were comfortable with.

RATIFICATION OF MINUTES

C 211/10/16

Minutes of the 58th Meeting of the Ugu District Municipal Council held on 14 July 2016

The Speaker took members through the ratification of minutes for the meeting held on 14 July 2016.

Following which,

It was unanimously

RESOLVED:

That the minutes of the 58th Meeting of the Ugu District Municipal Council held on 14 July 2016 be and are hereby **RATIFIED**.

CONFIRMATION OF MINUTES

C 212/10/16

Minutes of the 1st Meeting of the Ugu District Municipal Council held on 24 August 2016

The Speaker took members through the confirmation of the minutes for the meeting held on 24 August 2016.

Cllr Mthethwa moved for the acceptance of the minutes and was seconded by Cllr LMR Ngcobo.

Following which,

It was

RESOLVED:

That the minutes of the 1st Meeting of the Ugu District Municipal Council held on 24 August 2016 be and are hereby **CONFIRMED**.

C 213/10/16

Minutes of the Special Meeting of the Ugu District Municipal Council held on 01 September 2016

The Speaker took members through the confirmation of the minutes for the meeting held on 01 September 2016.

Cllr East referred members page 23 of the agenda and advised members that his leave of absence form was submitted. He further enquired from the Speaker if the said form was submitted.

The Speaker confirmed that the leave of absence form was received.

Cllr East pointed out that there were several apologies that were received on 01 September 2016; yet Cllr Mavundla was very vocal on the issue of his leave of absence. He further enquired if the statement by Cllr Mavundla was personal or not.

The Speaker advised Cllr East not to take the comments that were raised by Council as a personal attack. She explained that Council had raised a concern given that it was the first meeting of the Ugu District Municipal Council. She mentioned that members had requested an explanation as to why Cllr East had arranged a trip to Cape Town on the same date that clashed with the first Council meeting. She pointed out that all the applications for leave of absence were eventually accepted.

Cllr East explained to members that the said holiday had been arranged many months ago; before the Inauguration. He further requested that the minutes should be adjusted to reflect that all the applications for leave of absence that

were submitted to the meeting of the 01 September 2016 were eventually accepted.

Cllr Mavundla confirmed that he had nothing personal against Cllr East. He then reminded members that the issue of the leave of absence for Cllr East was raised as a concern given that it was the first meeting of the Ugu District Municipal Council. He further emphasized that there should not be a dialogue in terms of the said issue and Cllr Mqwebu echoed the same sentiments.

The Municipal Manager reminded members that the item was reflected on the agenda solely for the confirmation of minutes, and not for the discussion of minutes.

Cllr LMR Ngcobo referred members to page 24 of the minutes, and requested that resolution (b) should be rescinded.

Cllr Mqwebu requested that the Speaker should make such a ruling given that she had confirmed that a letter was submitted to the Office of the Speaker concerning the said matter.

The Speaker confirmed that the explanation was furnished to the Office of the Speaker, although she had pointed out that there was a misunderstanding at the meeting held on 01 September 2016.

Thereafter, Cllr Mqwebu moved for the acceptance of the minutes and was seconded by Cllr Manyoni.

Following which,

It was

RESOLVED:

- (a) That the minutes of the Special Meeting of the Ugu District Municipal Council held on 01 September 2016 be and are hereby **CONFIRMED**.
- (b) That on page 3, resolution (b) *“That the leave of absence for Cllr JJ East be and is hereby **NOT ACCEPTED**”* be and is hereby **RESCINDED**.

MATTERS ARISING

C 214/10/16

Code of Conduct for Councillors: Rules Committee

Cllr Henderson reminded members that in the previous meeting, the issue of the Rules Committee was raised. He then enquired with regards to the status of the establishment of the said Committee.

The Municipal Manager confirmed that the issue relating to the establishment of the Rules Committee was raised at the previous meeting. He shared with

members that in terms of the Municipal Systems Act, the Code of Conduct for Councillors clearly outlined that in the event that there was a complaint against a Councillor, the Speaker could appoint a Committee to consider the said complaint.

He also pointed out that most Municipalities had now established the Ethics Committees that regulated the Code of Conduct for Councillors. He then assured members that Management would consider the establishment of the said Committee, and that a report would be presented to the Executive Committee for further deliberations.

Cllr Mqwebu emphasized that the Municipal Manager should consider the establishment of the Ethics Committees and thereafter report the progress on same to the next meeting.

Following discussion,

It was unanimously

RESOLVED:

That the Municipal Manager be and is hereby tasked to consider the establishment of the Ethics Committees, and that a report on the progress of same be submitted to the next meeting.

C 215/10/16 OUTSTANDING MATTERS

It was noted that there were none.

STANDING ITEMS

C 216/10/16 SALGA Monthly Report: October 2016

The Municipal Manager took members through the item. He apprised members that the Department of SALGA updated its members on a monthly basis. He shared with members that the said Department had requested that the Municipality should allocate members from the Council.

He then referred members to page 45, and pointed out that in terms of the Ugu District Municipality, the following Portfolios were allocated:

- Municipal Finance Portfolio; and
- HR and LR Portfolio.

He informed members that it was the prerogative of Council to recommend nominees from the relevant Portfolios, who would serve as members in the Provincial Working Groups. He further pointed out that the names of the nominated Councillors should be forwarded to SALGA before the end of 31 October 2016.

Cllr LMR Ngcobo sought clarity if the item referred to the Councillors that were elected to serve as members of the PEC or if the request referred to the Portfolio Chairpersons.

The Municipal Manager explained to members that the Councillors, who were elected in the meeting held on 01 September 2016, were representatives to the SALGA Conferences. He further pointed out that Council had to elect the Councillors, who would serve as members in the Provincial Working Groups.

Cllr Mthethwa proposed that the Portfolio Chairpersons should be nominated and was seconded by Cllr Mavundla. He also pointed out that the Chairperson of the Portfolio Committee on Finance also served as a member of the PEC.

The Municipal Manager advised members that the meeting should move with the proposal to nominate the Portfolio Chairpersons, and that the Mayor should be given the opportunity to delegate any member of the Portfolio Committee on Finance to serve as a member in the Provincial Working Groups.

Following discussion,

It was unanimously

RESOLVED:

- (a) That the SALGA Monthly Report: October 2016 be and is hereby **NOTED**.
- (b) That the Chairperson of the Portfolio Committee on Sound Governance and Human Resources and the Chairperson of the Portfolio Committee on Finance be nominated to serve as members in the Provincial Working Groups.
- (c) That the Mayor be granted an opportunity to delegate any member of the Portfolio Committee on Finance to serve as members in the Provincial Working Groups.

MATTERS FOR DISCUSSION

C 217/10/16

Presentation of Awards to Employees

The Municipal Manager briefly explained to members that as part of the Skills Development Programme, the Municipality identified the employees to be enrolled into various training programmes in order to acquire certain specialised skills. He mentioned that six (6) of the Artisan Assistants within the Electrical field were studying towards obtaining a competency to being Electricians. He advised members that out of the six (6); only four (4) had passed and had been declared competent as Electricians, and that same would be placed in certain positions in order to retain the skills within the Municipality.

He shared with members that the other two (2) would be requested to re-write through the FET Esayidi College.

It be noted that the Speaker handed over the Certificates of Competence as Electricians to the following employees:

- Mr NS Langa;
- Mr T Mzobe;
- Mr A Lushaba; and
- Mr T Cele

He further informed the Council that the Municipality was responsible for the full payment of the said training.

Following which,

It was unanimously

RESOLVED:

That the Presentation of Awards to Employees be and is hereby **NOTED**.

C 218/10/16

Replacement of Cllr ST Gumede with Cllr NY Mweshe

The Municipal Manager informed members that the Municipality received correspondence informing that Cllr ST Gumede had resigned as a Councillor representing the Umzumbe Municipality in the Ugu District Municipal Council. He mentioned that the said correspondence also stated that on 20 September 2016, the Umzumbe Council resolved that Cllr NY Mweshe should replace Cllr ST Gumede.

He requested that members should note the item, and that the said Councillor would be sworn in at the next meeting.

Following which,

It was unanimously

RESOLVED:

(a) That the report regarding the Replacement of Cllr ST Gumede with Cllr NY Mweshe be and is hereby **NOTED**.

(b) That Cllr NY Mweshe be sworn in at the next meeting.

C 219/10/16

Presentation: Councillors Pension Fund

The Municipal Manager introduced the presenters to the Council.

Giving members a background, he mentioned that there were new members in the Ugu District Municipal Council and in light of same it was important to present to Council the Municipal Councillors Pension Fund.

Thereafter, Mr S Buthelezi from the Municipal Councillors Pension Fund took members through a PowerPoint presentation.

He highlighted the following aspects:

- Status of the Fund;
- Background;
- MCPF Board of Trustees;
- Governance Matters;
- Membership with the Fund;
- Benefit Structure;
- Monthly Contributions;
- Financial Report: Investments;
- Benefit Statements;
- Achievement by the Current Board;
- Progress to be followed when Appointing new Board of Trustees;
- Query Resolution Mechanism;
- Avenues of Communication;
- Service Providers to the Fund;
- Becoming a Member; and
- Contacting the Fund

Cllr Henderson sought clarity if the issue of the Three (3) Year Death Benefit and the issue of the Hospital Benefit of R2 500.00 were new proposals or if the said benefits had been approved.

Mr Buthelezi explained to members that the fund was directly controlled by the Councillors. He mentioned that in terms of the revised Three (3) Year Death Benefit, which was a 7x Pensionable salary for all; irrespective of age, the Board of Trustees would accept the proposal from the members for onwards submission to the Financial Services Board (FSB) for approval on condition that the proposed benefit was applicable with the law.

In terms of the Hospital Benefit, he informed members that an amount of R2 500.00 would only be paid to a main member, after 48 hours of hospitalization.

On the issue of the Hospital Cover, Cllr Zwane enquired if the Municipal Councillors Pension Fund also considered the dependents of a member. She also sought clarity if the scheme was affiliated with any specific hospitals.

Mr Buthelezi informed members that the issue of dependents was only addressed in the Death Benefit. He mentioned that when a member signed the admission form, same was expected to also complete a death beneficiary form listing their dependents.

Cllr Msani sought clarity on the waiting period for obtaining of the usernames and the passwords. She also enquired that if the Term of Office for a Councillor was ending, how long would it take for said Councillor to receive their contributions.

Mr Buthelezi explained to members that when the Councillor had reached the end of their Term in Office, the contributions were only paid after three months. He also informed members that a member was issued a termination form, which should be completed and supported by the following documents:

- Bank Statement;
- Copy of the Identity Document; and
- Authorisation Form signed by the Human Resources Department and the General Manager: Treasury.

Cllr Msani requested Mr Buthelezi to unpack the option that related to the two third of the pension fund.

Mr Buthelezi explained to members that the two third of the pension fund related to members who had reached the age of 60 to 65 years old and were receiving a monthly pensionable salary. He further mentioned that the members, who were below the age of 60 years old would receive their total contributions.

Cllr Machi enquired how the Pension Fund would handle a matter; whereby a member had paid contributions for a period of three months, and later passed on.

Mr Buthelezi informed members that the beneficiary form which was signed by a member normally indicated the person, who would be the beneficiary.

The Speaker raised a sharp concern regarding the option of the “two third of the pension fund contributions,” which was the monthly pensionable salary that related to the age between 60 to 65 years. She emphasized that the issue of the said option should be corrected through the SALGA Provincial Assembly for onward submission to the SALGA National Assembly given that the Councillors were only appointed for a period of five (5) years.

Cllr Mthethwa requested that a proposal should be made to the SALGA National Assembly, that the Councillors should receive their total contributions from the Pension Fund at the end of their term of office.

The Municipal Manager informed members that in terms of the Upper Limits for the Remuneration of Public Office Bearers for December 2015, there was a

provision for the Municipality to ensure that their personal belongings were insured for a cover amount of R750.000. He mentioned that the Ugu District Municipality would only cover the 14 Councillors that were directly elected, and that the rest of the Councillors would be covered at their respective Local Municipalities. He further emphasized that the 14 Councillors should complete a schedule and list the number of assets to be insured. He further advised that all the queries should be directed to the Manager: Asset Management.

Following discussion,

It was unanimously

RESOLVED:

- (a) That the Presentation on the Councillors Pension Fund be and is hereby **NOTED**.
- (b) That the option of the “two third of the pension fund contributions”, which was the monthly pensionable salary that related to the age gap of 60 to 65 years be corrected through the SALGA Provincial Assembly for onward submission to the SALGA National Assembly.
- (c) That a proposal be made to the SALGA National Assembly that Councillors must receive their total contributions from the Pension Fund at the end of their term of office.

C 220/10/16

Circular: Request for Inputs by Member Municipalities to the Proposed SALGA Constitutional Amendments

The Municipal Manager took members through the item.

Cllr Lubanyana proposed that members of Council should be granted an opportunity to consider the proposed SALGA Constitutional amendments, and thereafter submit their inputs to the Office of the Speaker and was seconded by Cllr Machi.

Following discussion,

It was

RESOLVED:

- (a) That the report on the Circular: Request for Inputs by Member Municipalities to the Proposed SALGA Constitutional Amendments be and is hereby **NOTED**.
- (b) That the members of Council be granted an opportunity to consider the proposed SALGA Constitutional amendments, and thereafter submit their inputs to the Office of the Speaker.

C 221/10/16 Progress Report on mSCOA Project Implementation

The Municipal Manager took members through the background of the report. He then took members through the Action Plan, which was developed in order to ensure that the Municipality complied with the regulation in terms of the mSCOA compliance.

The Speaker advised that members should note that there was progress in terms of the mSCOA compliance.

Cllr Mqwebu proposed that the mSCOA champions from all the respective Municipalities should convene a meeting in order to ensure that all the Municipalities within the Ugu District complied in terms of the mSCOA requirements. She further proposed that the Councillors should be workshopped on the mSCOA requirements and was seconded by Cllr Mavundla.

Following discussion,

It was

RESOLVED:

- (a) That the progress report on mSCOA Project Implementation be and is hereby **NOTED**.
- (b) That the Progress Report on the mSCOA Project Implementation be and is hereby **APPROVED**.
- (c) That the mSCOA Champions from all the respective Local Municipalities convene a meeting in order to ensure that all the Local Municipalities within the Ugu District complied in terms of the mSCOA requirements.
- (d) That all Councillors be workshopped on the mSCOA requirements.

C 222/10/16 Determination of Full Time Councillors

The Municipal Manager reminded members that Council had previously resolved that the Municipal Manager should be tasked to write to the Honorable MEC for CoGTA to designate five (5) additional Executive Committee members as full- time.

He reported that on 24 October 2016, the five (5) additional Executive Committee members were deemed to be full time. He further pointed out that the total number of full- time Councillors was eight (8) members, and that same

consisted of seven (7) members from the Executive Committee and the Speaker.

Cllr Machi enquired if the full time Councillors would be back paid from 24 August 2016.

The Municipal Manager informed members that he sought clarity with regards to same, and was informed that the said Councillors would not be back paid.

The Speaker emphasized that all the full-time Councillors who were still permanently employed, should resign from their respective employer. She further requested that the resignation letter and the acceptance letter from their employer should be presented to the Office of the Speaker before 03 November 2016.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the Determination of Full Time Councillors be and is hereby **NOTED**.
- (b) That the five (5) additional Executive Committee members be and are hereby delegated as Full Time Councillors.

EXTRACTS FROM COMMITTEES

Extracts from the meeting of the Executive Committee Meeting held on 12 October 2016

C 223/10/16 **Monthly Budget Statements: June 2016**

The Speaker took members through the report.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the Monthly Budget Statements for June 2016 be and are hereby **NOTED**.
- (b) That the Monthly Budget Statements for the month of June 2016 and the supporting documents as presented be and are hereby **NOTED**.

- (c) That the Monthly Budget Statements for the month of June 2016 and the supporting documents be submitted both to the Provincial and National Treasury in both electronic and hard copies.

C 22410/16 Monthly Budget Statement: July 2016

The Manager: Equity and Accounts took members through the item. He referred members to page 10 of the Addendum and advised that in the month of July 2016, the Total Revenue amounted to R192, 271,445 and the Expenditure amounted to R64, 158,839. He informed members that the Municipality had a variance of 1.30%, which was based on the estimate that was made on R76, 021,939.

On the Capital Expenditure, he mentioned that the Municipality had projected to spend an amount of R30 762 250.00 in the month of July 2016. He informed members that the recorded expenditure had amounted to R2 2 390.00, and that same was R28,7 million less than what the Municipality had targeted to spend. He then assured members that the Capital Expenditure would be expedited in the following month.

He then referred members to the Cash Flow Statement as at the end of July 2016, whereby he pointed out that the cash amounted to R456, 374,666. He then highlighted a breakdown of the said amount, that was reflected on page 13 of the agenda, which was a bank reconciliation indicating all the bank accounts and the short term investments of the Municipality.

He shared with members that the Outstanding Debtors as at the end of July 2016 amounted to R302, 022.492, which had increased by 16%.

He informed members that the Outstanding Creditors amounted to R28 840 416 as at the end of July 2016.

He highlighted the Investment Portfolio report, and pointed out that in the month of July 2016, the Municipality had an opening balance of R440, 407, 434 on the short term investments.

He then took members through the financial performance of the Ugu Fresh Produce Market; whereby the revenue amount of R13, 791.00 was recorded for the month of July 2016.

In terms of the Ugu Sports and Leisure Centre, he reported that the venue amount of R17, 544.00 was recorded in the month of July 2016. He then referred members to page 93 of the agenda, and highlighted the reconciliation of the invoices that were issued from the commencement date of the lease contract, and that same had indicated an amount of R52, 798.76 as at the end of July 2016.

Cllr Ngcobo referred members to the Debtors Ageing by top Ten Organs of State and highlighted the figures against Ezingoleni Municipality and Vulamehlo

Municipality. He then enquired if the said amounts were previously reflected before the said Municipalities were dissolved. He further enquired as to how the discrepancies of the said Municipalities would be justified.

The Speaker explained to members that the amounts that were indicated in the last column indicated the total debt. She also pointed out that Eziqoleni Municipality owed a total debt amount of R67,272.34, and that Vulamehlo Municipality owed a total debt amount of R2,614.00.

Cllr Machi proposed that the report should be noted given that the new Councillors could not comment on the information in the report, which related to the previous months.

Cllr Mavundla advised that the Municipality needed to improve on the collection of the Outstanding Debtors. He then proposed that Troika should be tasked to ensure that there was strong communication with the Government Departments in order to ensure that the outstanding debts owed by the Departments concerned were paid accordingly.

In terms of the outstanding debtors relating to the Municipalities, he proposed that same should be escalated to the Intergovernmental Forum (IGR), whereby all the CFO's of the concerned Municipalities would be invited in order to ensure that the issue of outstanding debtors was resolved before the end of December 2016 and was seconded by Cllr Lubanyana.

Following discussion,

It was

RESOLVED:

- (a) That the Monthly Budget Statements for the month of July 2016 and the supporting documents as presented be and are hereby **NOTED**.
- (b) That the Monthly Budget Statements for the month of July 2016 and the supporting documents be submitted to both the Provincial and National Treasury in both electronic and hard copies.
- (c) That Troika be tasked to ensure that there was strong communication with the Government Departments in order to ensure that the outstanding debts owed by the Departments concerned were paid accordingly.
- (d) That the issue on Outstanding Debtors be escalated to the Intergovernmental Forum (IGR) whereby all the CFO's of the concerned Municipalities would be invited to ensure that the issue of Outstanding Debtors was resolved before the end of December 2016.

C 225/10/16 Internal Audit Annual Plan for 2016/2017 & Three Year Strategic Plan for 2017 to 2019

The Municipal Manager took members through the item.

He apprised members that the said item was presented to the Portfolio Committee on Finance and the Executive Committee for consideration.

The Speaker requested that Council should adopt the Internal Audit Annual Plan for 2016/2017 and the Three Year Strategic Plan for 2017 to 2019.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the Internal Audit Annual Plan for 2016/2017 and the Three Year Strategic Plan for 2017 to 2019 be and is hereby **NOTED**.
- (b) That the Internal Audit Annual Plan for 2016/2017 be and is hereby **ADOPTED**.
- (c) That the Three Year Strategic Plan for 2017 to 2019 be and is hereby **ADOPTED**.

C 226/10/16 Audit Committee, Internal Audit Charter and Methodology 2016/17

The Speaker took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the Internal Audit Methodology, the Audit Committee and Internal Audit Charter for 2016/17 be and is hereby **NOTED**.
- (b) That the Internal Audit Methodology, the Audit Committee and Internal Audit Charter for 2016/17 be and is hereby **APPROVED**.

C 227/10/16 Risk Register and Fraud Risk Register 2016/17

The Speaker took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the Risk Register and Fraud Risk Register 2016/17 be and is hereby **NOTED**.
- (b) That the Risk Register 2016/17 be and is hereby **APPROVED**.
- (c) That the Fraud Risk Register 2016/17 be and is hereby **APPROVED**.

C 228/10/16 Amendment to Organogram: OMM: Mayoralty and Communications Manager: Policy and Research

The Speaker advised members that the position of the OMM: Mayoralty and Communications Manager: Policy and Research was a new position to the organogram. She also mentioned that an attachment on the job description of the said position formed part of the agenda that was dispatched to all members.

Cllr Henderson advised members that he did not support the position of the Manager: Policy and Research. He also pointed out that the proposed salary in terms of the position was not disclosed. He mentioned that the attachment relating to the job description was silent. He pointed out that the appointment of the said post was a wasteful expenditure. He then proposed that the Municipality should use the funds saved for the said post to appoint the Water Engineer or consider training the Artisans within the Municipality.

Cllr Mavundla advised members that if the Water Services Department needed certain positions to be filled, an item would be prepared and presented to the relevant Committees for approval. He also pointed out that if there were issues of insufficient funds for Artisans, then the Municipality would review the said budget. He further proposed that Council should accept the proposal for the amendment to the Organogram: OMM: Mayoralty and Communications Manager: Policy and Research and was seconded by Cllr Mqwebu.

Cllr Mthethwa pointed out that he supported the position of the Manager: Policy and Research. He then enquired if the position of the Manager: Policy and Research was vacant on the organogram and further enquired if the post was budgeted for.

The Municipal Manager confirmed that the position of the Manager: Policy and Research was not on the organogram. He then explained to members that the

organogram had to be amended before the position could be reflected on the organogram.

In terms of the budget, he explained to members that the Municipality had a salaries budget. He also confirmed that the position of the Manager: Policy and Research was not budgeted for, given that the said post was not on the organogram.

He pointed out that the Municipality saw the need for the said post to be filled in order to ensure that proper research was conducted to enable the Political Leadership to engage Communities on any matters that related to service delivery and also be in a position to respond to their questions. He further advised members that currently the Municipality did not have the research capacity.

Cllr East advised members that the Annexure did not give a clear indication of the position of the Manager: Policy and Research and therefore did not support the amendment to the Organogram: OMM: Mayoralty and Communications Manager: Policy and Research.

The Speaker advised members that there were two (2) motions that were received from members; the first (1st) motion for the acceptance of the proposal to amend the Organogram: OMM: Mayoralty and Communications Manager: Policy and Research, and the second (2nd) motion for the proposal to amend the Organogram: OMM: Mayoralty and Communications Manager: Policy and Research be not accepted.

She then advised that members should vote by the show of hands between the two (2) motions.

After the voting process, it was noted that the first (1st) motion for the acceptance of the proposal to the amendment to the Organogram: OMM: Mayoralty and Communications Manager: Policy and Research had received 17 votes, and the second (2nd) motion for the proposal to the amendment to the Organogram: OMM: Mayoralty and Communications Manager: Policy and Research be not accepted received 4 votes.

Following discussion,

It was unanimously

RESOLVED:

- (a) That the report on the Amendment to the Organogram: OMM: Mayoralty and Communications Manager: Policy and Research be and is hereby **NOTED**.

- (b) That the Amendment to the Organogram: OMM: Mayoralty and Communications Manager: Policy and Research be and is hereby **APPROVED**.

C 229/10/16 ICT Governance Report

The Municipal Manager took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the ICT Governance Report be and is hereby **NOTED**.
- (b) That the ICT Governance Report consisting of the following be and is hereby **ADOPTED**:
- ICT Strategy Reviewed 2016/17;
 - ICT Governance Charter Reviewed 2016/17;
 - Corporate Governance of ICT Framework Reviewed 2016/17;
 - ICT Risk Assessment 2016/17; and
 - ICT Steering Committee Terms of Reference Reviewed 2016/17;
- (c) That the Governance Monitoring Tool Analysis for Phase 1 – Enablement Phase be and is hereby **NOTED**.
- (d) That the Governance Monitoring Tool Analysis for Phase 2 – Implementation Phase be and is hereby **NOTED**.

C 230/10/16 MINUTES FROM COMMITTEES

It was noted that there were none.

C 231/10/16 URGENT MATTERS

It was noted that there were none.

IN-COMMITTEE MATTERS

C 233/10/16 Appointment of an Audit Committee Member

[At that stage of the proceedings, Cllr Rajaram moved for the meeting to move in-committee and was seconded by Cllr Manyoni].

The Municipal Manager took members through the item.

Cllr Ngcobu moved for the recommendations and was seconded by Cllr Mqwebu.

Following which

It was

RESOLVED:

- (a) That the report on the Appointment of an Audit Committee Member be and is hereby **NOTED**.
- (b) That Mr P Preston be and is hereby appointed to serve as an external member of the Audit Committee for the third term in order to enhance the audit committee representation.
- (c) That Mr P Preston be and is hereby appointed as the Chairperson of the Audit Committee.

C 234/10/16

Annual Salary Increases 2016/2017 – Section 56/57 Managers

The Municipal took members through the item.

Cllr Mthethwa moved for the recommendation and was seconded by Cllr Mqwebu.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the Annual Salary Increases 2016/2017 – Section 56/57 Managers be and is hereby **NOTED**.
- (b) That the annual cost of living increases of 6% for Section 56/57 Managers for 2016/2017 be and is hereby **APPROVED**.

[At that stage, Cllr Mavundla moved for the proceedings to move out of committee and was seconded by Cllr Manyoni.]

C 235/10/16

DATE OF NEXT MEETING

It was noted that the date of next meeting was scheduled for 24 November 2016.

C 236/10/16

CLOSURE

Cllr Machi requested that in future, members should be provided with water.

There being no further items for discussion, the Speaker declared the meeting closed at 13h24.

CHAIRPERSON: -----

DATE : -----