

UGU DISTRICT MUNICIPALITY

**MINUTES OF THE 53RD MEETING OF THE UGU DISTRICT MUNICIPAL COUNCIL
HELD IN THE COUNCIL CHAMBERS, HIBISCUS COAST MUNICIPALITY,
10 CONNOR STREET, PORT SHEPSTONE, ON THURSDAY, 28 JANUARY 2016,
AT 11H05.**

PRESENT:

Cllr Y Nair - Acting Speaker

Cllrs NH Gumede (Exco Member), MA Chiliza (Exco Member), IM Mavundla (Exco Member), JS Mbutuma (Exco Member), Dr SG Nyawuza (Exco Member), E Moosa Bux, TM Cele, TN Dzingwa, JM Ndlela, MB Gavu, ST Gumede, GD Henderson, SA Khawula, NA Madlala, MA Manyoni, ZA Mhlongo, MJ Mkhize, MP Mtheshane, TD Mthuli, NY Mweshe, JM Ndlela, DH Njoko, VL Ntanza, D Snashall, FB Shezi, MG Sonwabo, J van Vuuren, SM Zuma and MPL Zungu.

ALSO PRESENT:

Inkosi TC Cele
Inkosi ZGB Msomi

BY INVITATION:

Mr I Perumaul	-	Auditor-General
Ms A Zuma	-	Auditor-General
Ms R Shoba	-	Auditor-General
Mr P Preston	-	Audit Committee
Ms C Elliot	-	Audit Committee
Mr B Dladla	-	Audit Committee
Ms J Crutchfield	-	Ugu South Coast Development Agency
Ms D Ludick	-	Ugu South Coast Tourism
Mr WA Maree	-	Afriforum

IN ATTENDANCE:

Mr DD Naidoo	-	Municipal Manager
Ms L Cele	-	General Manager: Water Services
Ms S Mbili	-	General Manager: Treasury
Ms VP Tsako	-	General Manager: Corporate Services
Ms F Mbili	-	Senior Manager: Corporate Strategy and Shared Services
Ms Z Dlamini	-	Manager: Internal Audit
Ms MS Olivier	-	Manager: Legal Services
Ms N Langa	-	Manager: Secretariat, Registry and Auxiliary Services
Ms N Surajbally	-	Administrative Officer

• **OPENING**

The Municipal Manager welcomed all to the first meeting for the calendar year 2016. He informed Council that the Speaker was indisposed. He then invited nominations for an Acting Speaker.

Cllr Sonwabo proposed that Cllr Y Nair be elected as an Acting Speaker for the duration of the meeting and was seconded by Cllr Moosa Bux.

There being no further nominations, Cllr Y Nair was elected as the Acting Speaker for the duration of the meeting.

The Acting Speaker welcomed all to the meeting. On behalf of the Ugu District Municipal Council, he welcomed the Auditor-General, members of the Audit Committee, officials from the Ugu South Coast Tourism Entity, officials from the Ugu South Coast Development Agency, Amakhosi, the members of the media as well as the public to the meeting.

He then requested Cllr Dr Nyawuza to open the meeting in prayer.

C 01/01/16 NOTICE OF MEETING

The notice of meeting was taken as read.

C 02/01/16 APPLICATIONS FOR LEAVE OF ABSENCE

It was noted that the Speaker (*indisposed*), Cllrs NF Shusha (*indisposed*), BE Machi (*council business*) and Y L Duma (*family commitment*) had requested leave of absence from the meeting.

It was noted that Cllr VL Ntanza was attending to other council business.

It was further noted that Cllrs SM Zuma and MP Mtheshane had requested to be excused from the meeting at 12h00.

It was also noted that Inkosi RS Shinga and Inkosi BS Nzimakwe had requested leave of absence from the meeting.

From the Management component, the Municipal Manager informed Council that both the General Manager: Infrastructure and Economic Development and the Senior Manager: Mayoralty and Communications were indisposed.

Following which,

It was unanimously

RESOLVED:

- (a) That the Speaker (*indisposed*), Cllrs NF Shusha (*indisposed*), BE Machi (*council business*) and Y L Duma (*family commitment*) be and are hereby granted leave of absence from the meeting.
- (b) That Inkosi RS Shinga and Inkosi BS Nzimakwe be and are hereby granted leave of absence from the meeting.
- (c) That from the Management component, it was noted that both the General Manager: Infrastructure and Economic Development and the Senior Manager: Mayoralty and Communications were indisposed.

C 03/01/16 DECLARATION OF INTEREST

It was noted that there were none.

C 04/01/16 CONFIRMATION OF AGENDA

The Acting Speaker took members through the confirmation of the agenda.

The Municipal Manager advised Council that there was a First and a Second Addendum.

Following which,

It was unanimously

RESOLVED:

That the agenda convening the Ugu District Municipal Council meeting be and is hereby **CONFIRMED**; subject to the inclusion of the items listed on the First and Second Addendums.

**C 05/01/16 CONFIRMATION OF MINUTES
Minutes of the 52nd Meeting of the Ugu District Municipal Council held on
02 December 2015**

The Acting Speaker took members through the confirmation of the minutes.

Following which,

It was

RESOLVED:

That the Minutes of the 52nd Meeting of the Ugu District Municipal Council held on 02 December 2015 be and are hereby **CONFIRMED**; subject to the following amendments being effected to the minutes:

- Inclusion of Cllr FB Shezi under Present;
- Page 6, paragraph 5, line 3, "12 hours of overtime" be replaced with "12 hours including overtime."
- Page 8, under IFP, Cllr Machi conveyed their Year-End & Seasonal Greetings; and
- Page 8, under NFP, Cllr Zuma conveyed their Year-End & Seasonal Greetings;

C 06/01/16 MATTERS ARISING

It was noted that there were none.

OUTSTANDING MATTERS

C 07/01/16 SALGA Monthly Report: Councillors Pension Fund

It was noted that the members from the Pension Fund were not available; hence the matter would remain under Outstanding Matters.

STANDING ITEMS

C 08/01/16 SALGA Monthly Report

The Acting Speaker reminded Council that SALGA KwaZulu-Natal aimed to ensure regular contact with its members. He said that this report formed the basis for monthly communication with Council.

Following which,

It was unanimously

RESOLVED:

That the SALGA Monthly Report be and is hereby **NOTED**.

MATTERS FOR DISCUSSION

C 09/01/16 Replacement of African National Congress (ANC) PR Cllr S Mahomed with Cllr TD Mthuli

It was noted that Cllr TD Mthuli had replaced Cllr S Mahomed.

At that stage of the proceedings, Cllr TD Mthuli was sworn in as a member of the Ugu District Municipal Council.

Following which,

It was

RESOLVED:

- (a) That the report on the Replacement of African National Congress (ANC) PR Cllr S Mahomed be and is hereby **NOTED**.
- (b) That, it be noted that Cllr TD Mthuli was sworn in as a Councillor of the Ugu District Municipal Council.

C 10/01/16 Presentation by the Auditor-General of South Africa

Mr Perumaul tabled the Audit Report for the financial year 2014/15 to Council.

He mentioned that the Auditor-General of South Africa had a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, it existed to strengthen the country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence.

He stated that even though the audit outcome showed a bit of improvement when compared to last year's report, he said that there was still a lot of work that needed to be done in order to obtain a Clean Audit for the 2015/2016 financial year.

He pointed out that both the Leadership and Management did not exercise oversight effectively over policies and procedures regarding the annual financial statement, procurement and contract management, expenditure management and asset management.

He then highlighted the following:

- Focus of their Audits;
- Various Categories of the Audit Outcomes;
- Audit Outcome 2014/2015;
 - Previous Year Audit Opinions;

With regard to the Current Year Audit Opinion, he reported that Ugu District Municipality received a financially Unqualified Audit Opinion with Emphasis of Matter:

- Restatement of Corresponding Figures;
- Material Losses and Impairment;

He highlighted the following:

- Findings on reporting on predetermined objectives;
- Additional Matters: Achievement of Planned Targets;
- Material Adjustments to the Annual Performance Report;
- Compliance with Laws and Regulations:
 - Annual Financial Statements;
 - Asset Management;
 - Procurement and Contract Management;
 - Expenditure Management
- Internal Controls:
 - Leadership;
 - Financial and Performance Management;

Taking members through the Audit Opinion for the Ugu South Coast Tourism; he advised members of the Previous Year Report and Audit Outcomes and reported on the Current Year Audit Opinions which was Unqualified with no material findings, which meant a Clean Audit Opinion.

He then took members through the Audit Opinion for the Ugu South Coast Development Agency; he advised members on the Current Year Audit Opinions which was Unqualified with findings on compliance with laws and regulations.

He also took members through the Dash Board Report for:

- Leadership;
- Financial and Performance Management; and
- Governance

In addition, he took members through the following:

- Status of Implementation of Commitments and Recommendations;
- Effectiveness of Planned Interaction for the Financial Year;
- Assessment of Assurance Providers;
- Key Stakeholders and Assurance Providers;
- Improvements in Risk Areas;
- Oversight Responsibilities; and
- MFMA Tabling of Audit Report 2015

Concluding, he once again congratulated the Ugu South Coast Tourism Entity, and the Local Municipalities that obtained clean audits.

Following much discussion and deliberations,

It was unanimously

RESOLVED:

That the Presentation by the Auditor-General of South Africa be and is hereby **NOTED**.

C 11/01/16 Management Corrective Actions on Findings Raised by the Auditor-General of South Africa in the Consolidated Audit Report of the 2014/2015 Financial Year

The Acting Speaker took members through the item.

He emphasised that the objective of the report was to inform Council of the action plans that would be taken by Management in addressing the matters included in the Auditor-General's Audit and Management Report for the year ended 2015.

He then highlighted the recommendations.

Cllr Snashall pointed out with concern that the MPAC would have to play thorough oversight; however four meetings for the year would not be adequate.

The Municipal Manager explained to Council that both the MPAC and Audit Committee would call regular meetings; however same would be done via the Chairpersons and that same would be special meetings.

Following which,

It was unanimously

RESOLVED:

- (a) That the Management Corrective Actions on Findings Raised by the Auditor-General of South Africa in the Consolidated Audit Report of the 2014/2015 Financial Year be and is hereby **NOTED**.
- (b) That the Plan be and is hereby **APPROVED**.
- (c) That the Plan be forwarded to the Municipal Public Accounts Committee (MPAC) for follow-up on implementation.

C 12/01/16 Draft 2016 Roster of Meetings

The Acting Speaker took members through the item.

Cllr Henderson sought clarity if the Roster of Meetings could be e-mailed to all Councillors.

Cllr Snashall referred to the Municipal Public Accounts Committee (MPAC) and pointed out with concern that four meetings for a year were not good enough given that MPAC was an oversight committee.

Cllr Mavundla explained to Council that four meetings were scheduled for the year; but if the Chairperson needed more meetings then special meetings could be scheduled as and when required.

Concurring, Cllr Moosa Bux, the Chairperson of MPAC assured Council that four meetings for the year were adequate. He emphasized that if there were urgent matters then special meetings would be scheduled.

Following which,

It was unanimously

RESOLVED:

(a) That the Draft 2016 Roster of Meetings be and is hereby **NOTED**.

(b) That the Draft 2016 Roster of Meeting be and is hereby **ADOPTED**.

C 13/01/16 2011-2016: Councillor Development: Impact Analysis Form

The Acting Speaker took members through the item.

He mentioned that the rationale of the report was to inform Council of Circular 03/2016, which was received from SALGA National together with an Impact Analysis Form; whereby same was to be disseminated to all Councillors within the Municipality for completion.

He further mentioned that once the Impact Analysis Form was completed by all Councillors, same must be returned to SALGA.

He advised members that the due date for the submission of the forms was Friday, 05 February 2016.

Following which,

It was unanimously

RESOLVED:

(a) That the report on the 2011-2016: Councillor Development: Impact Assessment Form be and is hereby **NOTED**.

(b) That, it be noted that the submission of the Impact Assessment Forms was Friday, 05 February 2016.

C 14/01/16 2014/2015 Draft Annual Report: Ugu South Coast Tourism

The Municipal Manager explained to members that the purpose of the report was for Council to note the Draft Annual Report and to approve same for public comments.

[At that stage of the proceedings, Cllr Mtheshane left the meeting.]

Following which,

It was unanimously

RESOLVED:

- (a) That the 2014/2015 Draft Annual Report: Ugu South Coast Tourism be and is hereby **NOTED**.
- (b) That the 2014/2015 Draft Annual Report: Ugu South Coast Tourism be and is hereby **APPROVED** for public comments.

C 15/01/16 2014/2015 Draft Annual Report: Ugu South Coast Development Agency

The Municipal Manager explained to members that the objective was for Council to note the Draft Annual Report and to approve same for public comments.

Following which,

It was unanimously

RESOLVED:

- (a) That the 2014/2015 Draft Annual Report: Ugu South Coast Development Agency be and is hereby **NOTED**.
- (b) That the 2014/2015 Draft Annual Report: Ugu South Coast Development Agency be and is hereby **APPROVED** for public comments.

C 16/01/16 Mid-Year Budget & Performance Assessment Review 2015-2016

The Municipal Manager took members through the item.

He indicated that the rationale of the report was to comply with S72 of the MFMA and reporting requirements as per the Municipal Budgeting & Reporting Regulations.

Following which,

It was unanimously

RESOLVED:

- (a) That the Mid-Year Budget & Performance Assessment report for the period ended 31 December 2015 as referred to in S72 of the MFMA be and is hereby **NOTED**.
- (b) That the Monthly Budget Statement for the month of December 2015 and the supporting documents as referred to in S71 of the MFMA be and is hereby **NOTED**.
- (c) That the Quarterly Budget Implementation Report and the supporting documents as referred to in S52(d) of the Act be and is hereby **NOTED**.
- (d) That the Consolidated Report of withdrawals from municipal bank accounts be and is hereby **NOTED**.
- (e) That the Mid-Year Budget & Performance Assessment 2015-2016 be submitted to both Provincial and National Treasury in both electronic and hard copies.

C 17/01/16 ITEMS FROM AMAKHOSI

It was noted that there were none.

EXTRACTS FROM COMMITTEES

Extract from the meeting of the Municipal Accounts Committee (MPAC) held on 21 January 2016

C 18/01/16 2004/2015 Draft Annual Report

The Acting Speaker explained to members that the purpose of the report was for Council to note the Draft Annual Report and to approve same for public comments.

Cllr Snashall raised a concern that when the item was discussed at the meeting of the Municipal Public Accounts Committee (MPAC), the financial statements was not part of the Annual Report.

In response, Cllr Moosa Bux explained to Council that at that stage, the financial statements could not form part of the Annual Report given that the Auditor-General only reported on the financial statements at this meeting.

He pointed out that now the financial statements would form part of the Annual Report and would be made available to the public for comments.

He further explained to Council that Cllr Snashall would be given three opportunities to comment on the Annual Report namely:

- As a member of MPAC;
- As a member of Council; and
- As a member of the Public.

Cllr Mavundla then moved for the acceptance of the recommendations and was seconded by Cllr Manyoni.

Following which,

It was unanimously

RESOLVED:

- (a) That the 2014/2015 Draft Annual Report: Ugu District Municipality be and is hereby **NOTED**.
- (b) That the 2014/2015 Draft Annual Report: Ugu District Municipality be and is hereby **APPROVED** for public comments.

MINUTES FROM COMMITTEES

C 19/01/16

Minutes of the Meeting of the Recess Committee held on 23 December 2015

The Acting Speaker took members through the ratification of the minutes of the Recess Committee held on 23 December 2015.

Cllr Snashall requested if he could be furnished with a copy of the Gazette.

In response, the Acting Speaker indicated that Cllr Snashall could obtain a copy of the said Gazette through the Office of the Municipal Manager.

Following which,

It was unanimously

RESOLVED:

That the minutes of the meeting of the Recess Committee held on 23 December 2015 be and is hereby **RATIFIED**.

URGENT MATTERS

C 20/01/16

CIRCULAR 01/2016/GIGR: LOCAL GOVERNMENT ELECTIONS REGISTRATION WEEKENDS

The Municipal Manager explained to Council that the rationale was to inform members of Circular 01/2016 regarding the Local Government Elections Registration Weekends.

He pointed out that Circular 01/2016 was received from SALGA on Wednesday, 27 January 2016 and that the objective of the said Circular was to make Municipalities aware that, in terms of legislation, the Local Government Elections could take place between 18 May 2016 and 16 August 2016.

He emphasised that however, the exact date of the 2016 Local Government Elections would be proclaimed in due course.

He advised members that Municipalities were requested to encourage voters to firstly check their voter registration status and; to ensure that voters take advantage of the voter registration weekends.

He indicated that the Independent Electoral Commission (IEC) had confirmed:

- The 5th and 6th of March 2016 and the 9th and 10th of April 2016 as the targeted voter registration weekends for the 2016 Local Government Elections.
- Voters were now able to check their voter registration status by sending an SMS containing their ID Number to 32810.

He said that Municipalities were accordingly requested to disseminate this information to communities in their respective municipal area.

He pointed out that Municipalities were encouraged to publicize this information within their various mediums of communication including but not limited to: Municipal Websites, Pamphlets, Loud Hailer, Billing Notices, Municipal Newsletters, Public Meetings, Local Radio Stations and Social Media.

Following which,

It was unanimously

RESOLVED:

That Circular 01/2016/GIGR: Local Government Elections Registration Weekends be and is hereby **NOTED**.

C 21/01/16

IN-COMMITTEE MATTERS

It was noted that there were none.

C 22/01/16 DATE OF NEXT MEETING

It was noted that the date of the next meeting was scheduled for Thursday, 25 February 2016.

C 23/01/16 CLOSURE

At that stage of the proceedings, her Worship, the Mayor congratulated the Ugu South Coast Tourism Entity, and all the Local Municipalities within the Ugu District that obtained clean audits.

She also thanked both the office of the Auditor-General and the Audit Committee for all the assistance given throughout the year.

She emphasized that the Audit Committee was really hands on. She urged the said Committee to continue working in the same manner.

She thanked both Council and the leadership for all the support that was given throughout the year.

She encouraged all to continue working harder in order for the Ugu District to obtain its vision that was a Clean Audit; which was achievable.

She thanked both Management and all the officials for their dedication and commitment. She urged all to continue striving towards a clean audit.

There being no further items for discussion, the Acting Speaker declared the meeting closed at 12h30.

CHAIRPERSON: -----

DATE : -----