

**MINUTES OF THE EIGHTH MEETING OF MAPHUMULO MUNICIPAL COUNCIL
HELD ON 24 JANUARY 2017 AT 10:17 IN THE MUNICIPAL COUNCIL CHAMBER**

PRESENT Councillors: CS Shange (Speaker), ZF Khuzwayo-Dlamini (Mayor), CZ Ncalane (Deputy Mayor), NP Nxumalo (Exco Member), NB Hlongwa, JM Khathi, MH Khoza, DB Luthuli, TP Mchunu, ZG Mthembu, FM Ncalane, HN Ngcobo, ML Ngidi, ZW Ninela, JN Ntuli, NS Ntuli, MF Nzuza, N Sithole KM Xhakaza and TJ Zungu

PRAYER Cllr JN Ntuli

LEAVE OF ABSENCE Cllr KP Ninela

**ABSENT WITHOUT
LEAVE OF ABSENCE** Councillors: SZM Nzuza

AMAKHOSI **Inkosi:** NA Bhengu and JM Ntuli

ABSENT **Inkosi:** SA Hlongwa and BC Khuzwayo

**DEPUTATIONS
PRESENT** S Mthethwa (Treasury), L Naidoo (Treasury), B Kunene (Treasury), S Khwela (Treasury) R Kaunda (IEC), S Zondi (IEC), P Daniel (IEC) N Mohamed (AGSA) and L Vumba (AGSA)

OFFICIALS CS Mhlongo (Acting Municipal Manager), WD Mbongwa (Director LED/Planning), GS Majola (Acting Chief Financial Officer), MH Gumede (Acting Director Corporate Services/Manager Properties), AL Buthelezi (Manager Technical Services), CS Zulu (Manager Performance Management System), V Dube (Acting Manager Supply Chain) and LN Ntombela (Committee Officer)

NOTICE CONVENING THE MEETING

The Acting Municipal Manager read the notice convening the meeting.

OPENING AND WELCOME

The Speaker greeted and welcomed everyone present and declared the meeting opened.

NOTICE CONVENING THE MEETING

The Acting Municipal Manager Mr CS Mhlongo read the notice convening the meeting.

APPLICATION FOR LEAVE OF ABSENCE

The Acting Municipal Manager reported that the ND Hlongwa (Acting Manager Human Resource and Admin) and TP Sithole (Risk/Compliance Manager) will not be present in the meeting they are on leave.

Cllr ZG Mthembu reported the absence of Cllr KP Ninela.

ANNOUNCEMENTS BY CHAIRPERSON

- The chairperson announced that there will be deputation three deputations from the following organizations: Provincial Treasury, Independent Electoral Commission and Auditor General.
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ANNOUNCEMENTS BY THE ACTING MUNICIPAL MANAGER

- The Director Local Economic Development and Planning requested to make the following announcement: The IDP izimbizo are taking place on the following dates 14, 15 and 16 March 2017 venue to be confirmed.
 - Two additional items were included in the agenda **MAPCO: 96/08/17** and **MAPCO: 97/08/17**
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DEPUTATION

PROVINCIAL TREASURY

The General Manager Mr S Mthethwa conducted his presentation as follows: The supply chain management (SCM) compliance assessment was conducted on the 17 February 2016 to 04 March 2016 in order to ascertain the municipality's level of compliance to its SCM Policy, the Municipal Finance Management Act, no 56 of 2003 and its related SCM Regulations.

He stated that his presentation outlines the process and findings that were made during a compliance assessment of the Supply Chain Management (SCM) unit of Maphumulo Municipality and subsequent support provided from March 2016 to date. Consultant appointed from May 2016 to August 2016. He pointed out that the forensic investigation was initiated by former Council as a result of Provincial Treasury findings.

He explained that the areas of focus were as follows:

- Organizational structure
- SCM Policy
- Functioning of the SCM unit
- Functioning of Bid Committee
- System (including suppliers database) and contract management
- Emergency delegations
- Performance Management
- Bid Appeals Mechanism
- SCM processes

He then reported on findings on each focus area and gave recommendations for each focus area.

The followings/concerns were then raised by the Council:

- Cllr ML Ngidi requested advice from Provincial Treasury regarding the Acting positions.
- Her Worship the Mayor stated that the Council is not part of the SCM processes they can only play the oversight role, she requested Provincial Treasury to take action on the recommendations,
- Acting Municipal Manager advised that Provincial Treasury has conducted its investigation now it is upon the Municipality to implement the recommendations given by Provincial Treasury.

General Manager from Auditor General advised that as Provincial Treasury they have made recommendations to the Municipality and it is upon the Municipality to implement recommendations by Provincial Treasury. He also advised that the Municipality needs to stabilize the management and first action will be to speed up the process of appointing the Municipal Manager. He advised that the report of tenders advertised must be submitted to the Council on quarterly basis. He added that the reports on awarded contracts must also be submitted to the Council. He emphasized that the Municipality must implement the recommendations by Provincial Treasury.

PRESENTATION BY IEC

Mr P Daniel reported on the previous local elections.

Elections Assistance

- Municipalities: Storage, Halls, Staff, etc
- COGTA: Elections Support, Rapid Response, DC 60% Elections
- SSA – National Intelligence
- DoE – Storage for KwaDukuza
- SAPS – Security, JOC

Voter Turnout KZN 294

Total Registered	49 456
	39 058
Voter Turnout	62,79%
MEC 7	56

Party Seats Report

ANC 13
IFP 9

He reported on the procedure that needs to in reporting and vacancy and filling of vacancy.

Cllr ML Ngidi stated that the current MEO is affiliated with the ANC therefore his opinion is that the position of the MEO is vacant. He stated that the person who occupies such a position should be independent. He raised concern that IEC declared 2seats for IFP and 2 seats for ANC at the Executive Committee as per the elections results however they did not render advice when the inaugural meeting decided on 2 seats for ANC and 1 seat for IFP.

Chairperson requested IEC not to respond on the question raised by Cllr ML Ngidi relating to the seats Executive Committee he stated that this was discussed at length at the inaugural meeting. He stated that the concern raised by Cllr ML Ngidi regarding the MEO should be directed IEC not the meeting.

PRESENTATION BY AUDITOR GENERAL

Auditor General conducted it presentation as follows:

Auditor General reported on the Municipal financial statement.

Opinion

Auditor General reported that the financial statements presents fairly, in all material respects, the financial position of the Maphumulo Municipality, as at 30 June 2016 and tis financial performance and cash flows for the year then ended, in accordance with the SA standards of GRAP and the requirement of the MFMA and Dora.

Auditor General than drew attention to mattes of emphasis.

A. STANDING AGENDA ITEMS

MAPCO: 84/08/17

DECLARATION OF INTEREST

The Chairperson gave an opportunity to the members of Council to declare if they

have peculiar interest in the items listed in the agenda of the day.

No members declared peculiar interest in the items on the agenda.

The Council

RESOLVED THAT

1. No peculiar interests were declared on the items listed in the agenda.

MAPCO: 85/08/17
OPERATION CLEAN AUDIT

Her Worship the Mayor made reference to the Auditor General report.

The Council

RESOLVED THAT

1. It takes into account the matters of emphasis on the Auditor General Report and request improvement on the dashboard report.

MAPCO: 86/08/17
OPERATION SUKUMA SAKHE

The Acting Municipal Manager gave a progress report on operation Sukuma Sakhe. He requested Councillors to ensure war rooms sit. He recommended that there be Operation Sukuma Sakhe Indaba which will involve all stakeholders.

The Council

RESOLVED THAT

1. Ensure that war rooms sit.
2. The Municipality conducts an Operation Sukuma Sakhe Indaba

B. MATTERS FOR INFORMATION

MAPCO: 87/08/17
PROGRESS WITH REGARDS TO PAYMENT OF MR VW MHLONGO

The Acting Municipal Manager reported that the Municipality was required to pay the first installment of Mr VW Mhlongo no later than 31 July 2016 and the balance interest had to be paid no later than 31 December 2016.

The Acting Municipal Manager reported that the first installment was only made on

31 August 2016 to Mr VW Mhlongo, taxation as per SARS directive was withheld from the installment. Furthermore he reported that the second instalment was made on the 30 December 2016 as a balance of outstanding amount of the settlement agreement, the taxation deducted from this amount.

The Acting Municipal Manager stated that due to late payment the Lawyers of Mr VW Mhlongo they included interest for late payment. He added that the amount that was paid in August was less than the amount that was agreed upon as per the settlement agreement. He pointed out that the Mr VW Mhlongo and his attorneys advised the Municipality that they are computing the Municipality will seek a tax directive to establish the tax must to be withheld. He recommended the Council to note the progress report.

Cllr ZG Mthembu requested that the overall payment to Mr VW Mhlongo must be submitted to Council.

The Deputy Mayor requested that late payments should be avoided since they result to wasteful expenditure.

The Council

RESOLVED THAT

1. It notes the progress with regards to payment of Mr VW Mhlongo.

MAPCO: 88/08/17

DETERMINATION OF ADDITIONAL FULL-TIME POSITION ON MUNICIPAL COUNCIL

The Acting Municipal Manager informed the meeting that a correspondent has been received the Department of Co-Operative Governance and Traditional Affairs stating concerns from the MEC regarding Municipalities who are determining the full time positions without following section 12 of the Local Government Municipal Structures Act, no 117 of 1998 and section 18(4) of the same Act, which notices were published on 28 and 29 July 2016. The Acting Municipal Manager stated that the matter is brought to Council for information.

Cllr JN Ntuli proposed the noting of the correspondent from the Department of Co-Operative Governance and Traditional Affairs. Cllr HN Ngcobo seconded the proposal

Cllr ML Ngidi requested the Council to revisit the decision that was taken giving to office bearers' benefits that are entitled to full time Councillors.

The Acting Municipal Manager reminded the Council that the decision to provide tools of trade to two office bearers was taken by the Council based on the recommendations that were given by the Mayor.

The Council

RESOLVED THAT

1. It notes the correspondent from the Department of Co-Operative Governance and Traditional Affairs regarding the procedure that determines full time councillors.

C. MATTERS FOR CONSIDERATION

MAPCO: 89/08/17

CONSIDERATION OF AN APPOINTMENT OF THE DEPUTY INFORMATION OFFICER

The Acting Municipal Manager informed the Council that a circular number 24 has from the Department of Co-operative Governance and Traditional Affairs which advises Municipal Managers to comply with section 17 of the Promotion of Access to information Act no 02 of 2000, which provides for the appointment of deputy information officer. This is a commitment by the government in ensuring that there is accountability by public servants, and the community must have easy access to information that is requested at any given time

The Acting Municipal recommended the office of Chief Financial Officer be appointed as the Deputy Information Officer.

Cllr KM Xhakaza proposed that the recommendation be approved and was seconded by Cllr ZG Mthembu.

The Council

RESOLVED THAT

1. The office of Chief Financial Officer is appointed as the Deputy Information Officer.

MAPCO: 90/08/17

RE-IMBURSEMENT OF MASSIFICATION GRANT TO COGTA

The Acting Chief Financial Officer reported that on the 4th of December 2014 an agreement of grant from COGTA for massification grant was entered into between the municipality and COGTA. The grant was meant for electrification of Malovane and Khethokuhle projects. The project commenced inward 1 and payments were made to the service provider. He added that there were number of defects on the work that had been paid by the Municipality. The matter was raised to the service provider and the service provider promised to rectify the problems. Another service provider was sought by the municipality to fix the problems. The new service provider reported that they had to redo most of the work which was done by the previous service provider.

The Acting Chief Financial Officer reported that KZN COGTA has written a letter to the Municipality to recall the funds relating to this grant. The Municipality is required

to pay back R3 000 000 that was received from COGTA and reasons as to this were stated on the letter from COGTA.

Cllr DB Luthuli proposed that the recommendations be approved.

The IFP Councillors raised their unhappy about the matter in which the grant was utilized. Cllr ZG Mthembu proposed that the payment be not made. Cllr TJ Zungu seconded the proposal.

Cllr ZW Ninela seconded Cllr DB Luthuli that the recommendations be approved. (IFP raised concern that had proposed and seconded the matter that the resolution that the recommendations are not approved)

IFP Councillors requested that it should be on record that they do not support the resolution taken.

The Council

RESOLVED THAT

1. It authorizes the Mayor and Management to negotiate with KZN COGTA not to recall this grant. If the attempt fails then Council approves Management to make a payment to KZN COGTA relating to this grant.

MAPCO: 91/08/17

PROPOSED INCREASES IN RESPECT OF THE 2016/2017 FINANCIAL YEAR

The Acting Director Corporate Services stated that the item is submitted to make the Council aware of the proposed increases made by the national Department of Co-Operative Governance and Traditional Affairs the Council is requested to take a resolution. He stated that the increase is only for ordinary Councillors by 4%, the Executive Committee is excluded from the increase. The increase is effective from the month of August 2016.

Cllr HN Ngcobo proposed that the increase be effected for ordinary Councillors effective from August 2016. Cllr JM Khathi seconded the proposal.

The Council

RESOLVED THAT

1. It notes government notice no. 1600 dated 21 December 2016.
 2. It approves that the 4% increases be effected to ordinary Councillors.
 3. The Executive Committee members and Speakers do not qualify for the increase.
 4. The increase be effected as at August 2016.
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MAPCO: 92/08/17

REQUEST FOR EXTENSION OF CONTRACT USING THE S116 930 (A)

The Acting Municipal Manager reported that the item is submitted to request council permission to extend the contract for provision of IT service by Sigma IT by applying section 116 93) 9a) of the Municipal finance management Act No: 56 of 2003 for the period of twelve months.

Cllr ZW Ninela proposed that the recommendations be approved. Cllr NB Hlongwa seconded the proposal.

The Council

RESOLVED THAT

1. It allows the Acting Municipal manager to extend the contract for Sigma IT by using section 116 (3) (a) and also to comply with section 116 (3) (b) as well by inviting local community to submit the representations about the intension to extend the contract.

MAPCO: 93/08/17

TABLING OF THE 2015/2016 DRAFT ANNUAL REPORT FOR THE MUNICIPALITY

The Manager Performance Management reported that the municipality has prepared the draft annual report as required by Municipal Finance Management Act no 56 of 2003. He added that the annual report is to report on activities relating to previous financial year in terms of service delivery and financial performance. He explained that the after two month of tabling of the draft annual report, the finalized document together with the oversight report by the Municipal Public Accounts Committee is submitted for final approval. He requested the Council to consider the draft annual report and take a resolution.

Cllr ZG Mthembu proposed the approval of the 2015-2016 draft Annual Report. The proposal was seconded by Cllr NB Hlongwa.

The Council

RESOLVED THAT

1. It approves the 2015-2016 draft Annual Report.

MAPCO: 94/08/17

CONSIDERATION OF THE 2016/2017 2ND QUARTER PERFORMANCE MANAGEMENT REPORT

The Manager Performance Management reported that the municipality has prepared the 2ND Quarter Report as required by Municipal Systems Act no 32 of 2000. He explained that the report contains the targets for each department within the

municipality. He requested the Council to consider the report and take a resolution.

Cllr NS Ntuli proposed that approval of the 2016/2017 2nd Quarter Performance Management report. The proposal was seconded by Cllr TJ Zungu.

The Council

RESOLVED THAT

1. It approves the 2016/2017 2nd Quarter Performance Management Report.

MAPCO: 95/08/17

REQUEST FOR THE ADDITIONAL POST TO THE MUNICIPAL STRUCTURE

The Acting Municipal Manager reported that the item is submitted to request an additional post to the current organization structure. The post title is Manager Corporate Governance and it will be graded under task grade 15. He requested the Council to consider the matter and take a resolution.

The Deputy Mayor proposed the approval of the additional post and her Worship the Mayor seconded the proposal. The Mayor stated the position will be accommodated in the adjustment budget.

The IFP raised concern that the position is not critical and the Municipality is experiencing financial constraints. IFP councillors requested that this position be considered in the next financial year.

The Council

RESOLVED THAT

1. It approves the additional post of Manager Corporate Governance Task grade 15 in the municipal structure.

MAPCO: 96/08/17

APPOINTMENT OF ACTING DIRECTOR TECHNICAL SERVICES

The item was withdrawn.

The Council

RESOLVED THAT

1. The item was withdrawn.
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MAPCO: 97/08/17

**ARBITRATION AWARD: ZILUNGILE GOMBELA vs MAPHUMULO
MUNICIPALITY IN UNFAIR LABOUR PRACTICE CASE NO: KPD 071604**

The Acting Human Resource Manager stated that the report is to update the Council regarding Arbitration award of Mr Zilungile Gombela. He added that the Arbitration award is in favour of the municipality. The Arbitration ruled that, the Municipality did not commit an unfair labour practice against the applicant, and the application has been dismissed. He requested the Council to note the item.

Cllr MH Khoza proposed the noting of the arbitration award. The proposal was seconded by Cllr DB Luthuli.

The Council

RESOLVED THAT

1. The arbitration award for Zilungile Gombela is noted.

TERMINATION

The meeting terminated at 13h00 after a prayer by Cllr MH Khoza.

Confirmation on the.....day of2017.

CHAIRPERSON