PURPOSE

This serves as deviation register procurement of goods and services under contracts secured by other organs of state.

BACKGROUND

1. A supply chain management policy may allow the accounting officer –
   To procure goods or services for the municipality or municipal entity under a contract secured by another organ of the state; but only if:-

   (a) The contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state.
   (b) The municipality or entity has no reason to believe that such contract was not validly procured.
   (c) There are demonstrable discounts or benefits for the municipality or entity to so; and
   (d) That other organ of the state and the provider have consenting to such procurement in writing.

2. The accounting officer must record the reasons for any deviations in terms of sub regulation (1) (a) and (b) and report them to the next meeting of the council and include as a note to the annual financial statements.

RECOMMENDATION

1. That the Accounting Officer to table reports to Council on regulation 32 and 36.
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<th>DATE OF MEETING</th>
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<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>• Council resolved that the Accounting Officer table the reports to Council on regulation 32 and 36.</td>
<td>C52/2018</td>
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CLLR Y SECHOARO  
COUNCIL SPEAKER

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER
PURPOSE

This serves as deviation register that results from emergency procurement section 36 (a) (i).

BACKGROUND

3. A supply chain management policy may allow the accounting officer –
   (a) to dispense with the official procurement processes established by the policy
   and to procure any required goods or services through any convenient
   process, which may include direct negotiations, but only -
   (i) in an emergency.

   (b) to ratify any minor breaches of the procurement processes by an official or
   committee acting in terms of delegated powers or duties which are purely of
   a technical nature.

4. The accounting officer must record the reasons for any deviations in terms of
   subregulation (1) (a) and (b) and report them to the next meeting of the council and
   include as a note to the annual financial statements.

RECOMMENDATION

1. It is recommended that Council note deviation register in terms of section 36(2)
   subregulation (1) (a) (i) as listed on the above.

2. It is recommended that the Deviation register be noted as disclosure in the Annual
   Financial Statements.

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<tr>
<td>30 AUGUST 2018</td>
<td>Council noted the deviation register in terms of section 36(2) sub regulation (1) (a) (i) as</td>
<td>C53/2018</td>
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<td>Listed on the above.</td>
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<td>Council noted the Deviation register as disclosure in the Annual Financial Statements.</td>
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**CLLR Y SECHOARO**
COUNCIL SPEAKER

**MRS. M.D. DAMBUZA**
ACTING MUNICIPAL MANAGER
C03/08/2018 SPECIAL ADJUSTMENT FOR 2017/2018 FINANCIAL YEAR AND ADDITIONAL WASTE WATER TREATMENT PLANT REVENUE: ZEERUST

PURPOSE

To table special adjustment budget for 2017/18 financial year as provided for in sub regulation (3) of the Municipal Budget and Reporting Regulations of 2008 and additional revenue for Operating subsidies and grants for an amount of R5,852 million from Department of Local Government and Human Settlement.

BACKGROUND

5. Sub-regulation (3) of the Municipal Budget and Reporting Regulation of 2008 provides that:-

- If a National or Provincial adjustment budget allocates or transfers additional revenue to a municipality, the mayor of the municipality must, at the next available council meetings, but within 60 days of the approval of the relevant national or provincial adjustment budget, table an adjustment budget referred to in section 28 (2) (b) of the Act in the municipal council to appropriate these additional revenues.

- This sub-regulation is intended to ensure that additional revenue allocated to municipality by national or provincial government through adjustment budget are approved for spending as soon as possible so as to minimize the possibility of under spending. In-year changes in agency payment and other revenues mentioned in sub-regulation 10 (2) (c) may only brought into a municipality's budget in an adjustment budget contemplated in sub-regulation 23 (1).
ADDITIONAL REVENUE:

- Public Protector raised concerns about water spillage at Zeerust and funding was secured from the Department of Local Government and Human Settle to deal with crisis of water treatment plant at Zeerust.

RECOMMENDATION

It is recommended that Council notes the Additional revenue for Operating subsidies and grants for an amount of R 5,852 million.

It is recommended that Council notes reduction of Municipal Grants Funds by National Treasury for an amount of R 70 million.

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<td>30 AUGUST 2018</td>
<td>Council noted the Additional revenue for Operating subsidies and grants for an amount of R 5,852 million.</td>
<td>C54/2018</td>
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</table>

Council noted reduction of Municipal Grants Funds by National Treasury for an amount of R 70 million.
PURPOSE

The purpose of this report is to comply with Section 71 of the Municipal Finance Management Act, and Section 28-29 of the Municipal Budget and Reporting Regulations which requires that specific financial information be reported on and in the prescribed formats.

BACKGROUND

Section 71 of the Municipal Finance Management Act 56 of 2003 states that;

(1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

(a) Actual revenue, per revenue source;

(b) actual borrowings;

(c) actual expenditure, per vote;

(d) actual capital expenditure, per vote;

(e) the amount of any allocations received;

(f) actual expenditure on those allocations, excluding expenditure on –

   (i) its share of the local government equitable share; and

   (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
(i) when necessary, an explanation of any material variances from the municipality’s projected revenue by source, and from the municipality’s projected expenditure per vote,

(ii) any material variances from the service delivery and budget implementation plans; and

(iii) remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality’s approved get budget.

(2) The statement must include –

(a) a projection of the relevant municipality’s revenue and expenditure for the rest of the financial year, and any revisions from initial projection; and

(b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality’s approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in the electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the state of the municipalities’ budgets, per municipality and per municipal entity.
(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of the municipalities’ budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.

RECOMMENDATION

The Executive Mayor notes the budget statement for the period ended 30 June 2018.

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<tr>
<td>30 AUGUST 2018</td>
<td>Council noted the budget statement for the period ended 30 June 2018.</td>
<td>C55/2018</td>
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CLLR Y SECHOARO
COUNCIL SPEAKER

MRS. M.D. DAMBUZA
ACTING MUNICIPAL MANAGER
C05/08/2018       INTANGIBLE ASSETS

PURPOSE

To obtain the authorization of Council to recommend the write-off of intangible assets that cannot be verified.

BACKGROUND

The Municipality has been obtaining a qualification on intangible assets for the past 7 years; as a result the balance on intangible assets could not be fully supported and verified by Auditor General of South Africa (AGSA).
In lieu of the above paragraph, the proposed correction to these findings is for council to consider writing off the intangible assets to general expenditure in the income statement.

DISCUSSIONS

Other computer software to the value of R630 988 included as part of intangible assets has no supporting documentation and as such cannot be verified. The AGSA has raised a reoccurring finding regarding the verification of this software. Furthermore, findings that have been raised by the AGSA relate to the amortization of this software.

RECOMMENDATION

Based on these findings and the fact that there is no documentation to substantiate and support this software, it is therefore recommended that council write off the intangible asset of R630 988 as it does not meet the definition of intangible assets and cannot be supported with any documentation.

This will also assist the municipality in avoiding the reoccurring finding raised by the AGSA.

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<tr>
<td>30 AUGUST 2018</td>
<td>Council approved the write off the intangible asset of R630 988 as it does not meet the definition of intangible assets and cannot be supported with any documentation.</td>
<td>C56/2018</td>
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**CLLR Y SECHOARO**  
COUNCIL SPEAKER

**MRS. M.D. DAMBUZA**  
ACTING MUNICIPAL MANAGER
PURPOSE

To inform Council about Supply Chain regulation effective system on implementing demand management in terms of Supply Chain Management Regulation 9(b) (i) and 10.

BACKGROUND

6. A supply chain management policy of a municipality must describe in sufficient detail-
   (i) Demand management; and

7. A supply chain management policy must provide for an effective system of demand management in order to ensure that the resources required to support the strategic and operational commitments of the municipality or municipality entity are delivered at the correct time, at the right price and at the right location, and that the quantity and quality satisfy the needs of the municipality or municipal entity.

RECOMMENDATION

It is recommended that Council note about the 2018/2019 procurement plan that support strategic and operational commitment of the municipality as indicated on the IDP.

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<td>Council noted the 2018/2019 procurement plan that support strategic and operational commitment of the municipality as indicated on the IDP.</td>
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CLLR Y SECHOARO  
COUNCIL SPEAKER

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER
C07/08/2018 QUARTER 4 PROCUREMENT REPORT

PURPOSE

To inform Council about Quarter 4 procurement report in terms of SCM regulation 6.3

BACKGROUND

The Supply Chain regulation 6.3 requires the Accounting Officer to submit quarterly report on the implementation of the supply chain management policy to the mayor of the municipality.

RECOMMENDATION

1. It is recommended that council note about the Quarter 4 report as required.

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<tr>
<td>30 AUGUST 2018</td>
<td>Council noted the Quarter 4 report as required.</td>
<td>C58/2018</td>
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</table>

CLLR Y SECHOARO
COUNCIL SPEAKER

MRS. M.D. DAMBUZA
ACTING MUNICIPAL MANAGER
C08/08/2018 PROGRESS REPORT ON IMPLEMENTATION OF THE POST AUDIT ACTION PLAN

PURPOSE

To submit progress report on implementation of the Post Audit Action Plan (PAAP)

DISCUSSIONS

The municipality is on weekly basis reporting progress on the implementation of PAAP to the department of FEED, whereby the currently progress report is indicated as 75% on management report findings resolved and 66% on audit report findings resolved.

RECOMMENDATION

1. It is recommended that the Council note the progress report on implementation of PAAP

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<tr>
<td>30 AUGUST 2018</td>
<td>Council noted the progress report on implementation of PAAP</td>
<td>C59/2018</td>
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</table>

CLLR Y SECHOARO  
COUNCIL SPEAKER

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER
C09/08/2018 ASSET POLICY

PURPOSE

To obtain the recommendation of Council on the reviewed asset policy for approval.

BACKGROUND

The municipality had previously complied the asset policy that was approved by council, however due to new developments with GRAP standards this required the municipality to keep abreast and ensure that there is a consistent and correct applications thereof as required by GRAP prescripts as well as AGSA.

DISCUSSIONS

The municipality is in attempt to have all internal policies to be regularly reviewed and approved. This will be done to ensure that internal compliance issues are rectified on an annual basis.

RECOMMENDATION

1. The municipality would like to request Council to approve the reviewed asset policy and such policy must assists on a day-to-day running of the Municipal activities.

This will also assist the municipality in avoiding the reoccurring finding raised by the AGSA during 2017/18.

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<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>Council approved the reviewed asset policy</td>
<td>C60/2018</td>
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<td>30 AUGUST 2018</td>
<td>Council approved the reviewed asset policy</td>
<td>C60/2018</td>
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CLLR Y SECHOARO  
COUNCIL SPEAKER

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER
PURPOSE

For Council to adopt the inventory management policy for day to day running of the municipal activities related to inventory.

BACKGROUND

The municipality has compiled a draft Inventory management policy that was never approved by council, however due to reoccurring findings by AGSA it was established that there is a need to fully comply with the MFMA as well as GRAP presepts.

DISCUSSIONS

The municipality is in attempt to have all Inventory internal policies to be regularly reviewed and approved. This will be done to ensure that Internal Compliance issues are rectified on an annual basis.

RECOMMENDATION

1. That the Council recommend the Inventory management policy as the policy that will assist on a day-to-day running of the Municipal activities/operations. This will be done for the purpose of ensuring that all new developments will be updated together with relevant legislations that affect the municipality.

This will also assist the municipality in avoiding the reoccurring finding raised by the AGSA.

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<tr>
<td>30 AUGUST 2018</td>
<td>Council recommended that the Inventory management policy as the policy that will assist on a day-to-day running of the Municipal activities/operations.</td>
<td>C61/2018</td>
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<td>30 AUGUST 2018</td>
<td>Council recommended that the Inventory management policy as the policy that will assist on a day-to-day running of the Municipal activities/operations.</td>
<td>C61/2018</td>
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</table>

CLLR Y SECHOARO
COUNCIL SPEAKER

MRS. M.D. DAMBUZA
ACTING MUNICIPAL MANAGER
C 11/08/2018 CONTINGENT LIABILITIES AND CONTINGENT ASSETS POLICY

PURPOSE

For Council to approve the contingent liabilities and contingent asset policy.

BACKGROUND

The municipality had previously complied the contingent liabilities and contingent asset policy that was approved by council, however due to new developments with GRAP standards this required the municipality to keep abreast and ensure that there is a consistent and correct applications thereof as required by GRAP prescripts as well as AGSA.

DISCUSSIONS

The municipality is in attempt to have all internal policies to be regularly reviewed and approved. This will be done to ensure that internal compliance issues are rectified on an annual basis.

RECOMMENDATION

1. For Council to approve the contingent liabilities and contingent asset policy as the policy that will assists on a day-to-day running of the Municipal activities.

This will also assist the municipality in avoiding the reoccurring finding raised by the AGSA.

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<tr>
<td>30 AUGUST 2018</td>
<td>Council approved the contingent liabilities and contingent asset policy as the policy that will assists on a day-to-day running of the Municipal activities.</td>
<td>C62/2018</td>
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[Signatures]

CLLR Y SECHOARO  
COUNCIL SPEAKER

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER
PERFORMANCE MANAGEMENT SYSTEM:
PERFORMANCE AGREEMENTS OF THE MUNICIPAL
MANAGER AND MANAGERS DIRECTLY
ACCOUNTABLE TO THE MUNICIPAL MANAGER

ATTACHED

Performance Agreements of the Municipal Manager and All 5 Senior Managers:
- Municipal Manager: Mr M M Kohlakoana
- Senior Manager: Planning & Development : Ms M K Mahlobo
- Senior Manager: Corporate Resource Support Services: Ms M D Dambuza
- Senior Manager Community Services: Ms S M Nkadimang
- Senior Manager: Technical Services : Mr M J Rassool
- Chief Financial Officer: Mr S S Mphato

PURPOSE

To inform Council of the signed Performance Agreements by Municipal Manager and Managers
directly accountable to the Municipal Manager

BACKGROUND

In terms of Section 57(2) (a) of the Municipal System Act 32 of 2000 the Performance
Agreement must be concluded within one month after the beginning of the financial year of the
municipality.

Draft Performance Agreement were submitted to the Executive Mayor on the 14th of June 2018
in terms of Section 69(3) (a) (b) of the Municipal Finance Management Act of 2003 as
amended.

In terms of section 53 (3) (b) the Performance Agreements of the Municipal Manager and
Senior Managers must be made public not later than 14 days after the approval of the SDBIP

RECOMMENDATION

1. That Council notes that Draft Performance Agreements of the Municipal Manager and
Managers directly accountable to the Municipal Manager were submitted to the
Executive Mayor on the 14th of June 2018.
2. That Council notes that Municipal Manager and Managers directly accountable to the Municipal Manager signed their Performance Agreements in terms of section 57(2)(a)(ii)

3. That the Performance Agreements were made public within 14 days after the approval of the SDBIP by the Executive Mayor in terms of section 53 (3)(b) of the Municipal Finance Management Act.

4. That the Performance Agreements must be submitted to the MEC for Local Government and Human Settlement.

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CLLR Y SECHOARO  
COUNCIL SPEAKER

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER
C 14/08/2018 PERFORMANCE MANAGEMENT SYSTEM: FINAL TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) FOR 2018-2019

ATTACHED
Copy of the Top Layer Service Delivery and Budget Implementation Plan for 2018-2019

PURPOSE
For the Executive Mayor to table the Top Layer SDBIP 2018-2019 in Council.

BACKGROUND
Section 1 of Local Government: Municipal Finance Management Act 56 of 2003, describes the "Service Delivery and Budget Implementation Plan" as a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality’s delivery of municipal services and its annual budget, and which must indicate;

(a) projections for each month of;
   (i) revenue to be collected, by source; and
   (ii) operational and capital expenditure, by vote;

(b) service delivery targets and performance indicators for each quarter; and

DISCUSSION
The Top Layer Service Delivery and Budget Implementation Plan is a management, implementation and monitoring tool that will assist the Executive Mayor, Councillors, Municipal Manager, Senior Managers and the community.

It will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council.

It enables the Municipal Manager to monitor the performance of Senior Managers, the Mayor to monitor the performance of the Municipal Manager,
and for the community to monitor the performance of the municipality. It should therefore determine and be consistent with the performance agreements between the Mayor and the

Municipal Manager and the Municipal Manager and Senior Managers determined at the start of every financial year and approved by the Mayor.

RECOMMENDATIONS

1. That Council notes that the Draft and the Final Top Layer Service Delivery and Budget Implementation Plan for 2018-2019 was submitted to the Executive Mayor in terms of section 53(1)(ii) and 69(3)(a) of the MFMA on the 14th and 22nd of June 2018

2. That the Top Layer Service Delivery and Budget Implementation Plan was publicised.

3. That the Top Layer Service Delivery and Budget Implementation Plan will be submitted to Department of Local Government and Human Settlement as well as the National and Provincial Treasury

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CLLR Y SECHOARO  
COUNCIL SPEAKER  

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER
C13/08/2018 PERFORMANCE MANAGEMENT SYSTEM: DRAFT
ANNUAL REPORT FOR 2017-2018 FINANCIAL YEAR

ATTACHED

Progress on the compilation of the Draft Annual Report for 2017-2018

PURPOSE

To inform Council that the Executive Mayor is expected to table the unaudited Draft Annual Report for 2017-2018 Financial year on the 24th of August 2018

BACKGROUND

In terms of Section 121 of the MFMA the municipality is expected to table the Annual Report to Council within 9 months after the end of the financial year which is January of each year, subsequent to this section the National Treasury issued MFMA Circular 63 on the 26th of September 2012, to provide guidance to municipalities on the new Annual Report format and its content. Information included in the New Annual Report will better inform in a standardised framework how municipalities have performed.

The purpose of the Annual Report is:
- to provide a record of the activities of the municipality or entity during the financial year to which the report relates;
- to provide a report on performance in service delivery and budget implementation for the financial year;
- to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity; and
- to reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions.

With the above in mind, the goals of the new Annual Report Format are to achieve the following:
- standardised reporting to enable municipalities / municipal entities to submit comparable Annual Reports;
- align financial and non-financial reporting in the Annual Report;
- create a standardised reporting structure that will enhance comprehensive oversight, meaningful evaluation and improved understanding of service delivery output; Prior to
printing or copying the annual report which include the audit report the municipality is required to do the following:-

The Annual Report is still at a draft stage and the entire information from Budget and Treasury Office is still outstanding, however the attached document indicates the progress of submission of information per Department as at the 13th of August 2018.

The Annual Financial Statement and Annual Performance Report will be submitted separately from the Annual Report.

**IT IS RECOMMENDED THAT**

1. Council notes the Finance Department did not submit their inputs with regards to the compilation of the Annual Report for 2017-2018.

2. Council notes that the Executive Mayor will be tabling the Unaudited Annual Report for 2017-2018 in terms of the Municipal Finance Management Act Circular 63 by the 24th of August 2018.

<table>
<thead>
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Cllr Y Sechoaro  
COUNCIL SPEAKER

Mrs. M.D. Dambuza  
ACTING MUNICIPAL MANAGER
C12/08/2018

DEVELOPMENT AND PLANNING: DISTRICT IDP FRAMEWORK AND BUDGET /PMS PROCESS PLAN FOR 2019/2020 FINANCIAL YEAR

ATTACHED

District IDP Framework/PMS and Budget process plan

PURPOSE

To request Council Members to note the progress registered for the development of District IDP Framework and Budget Time Schedule for 2019/2020 Process.

BACKGROUND

The Framework Plan as stipulated in section 27(2) of Municipal System Act of 2000 identifies the following:

- Identify plans and planning requirements that bind the District and Local Municipalities in terms of national and provincial legislation.
- Identify matters that require alignment between the District and the Local Municipalities.
- Specify the principles to be applied and coordinate the approach to be adopted in respect of the matters identified.
- Determine procedures for consultation between the municipalities during the process of drafting their respective IDP and to effect essential amendments to the framework.

This document is still a draft Framework Plan until it has been presented, discussed and modified accordingly by the local municipalities within the jurisdiction of Ngaka Modiri Molema District Municipality, IDP Steering Committee and other relevant internal structures and also adopted by the District Municipal Council.

THE IDP AND BUDGET PROCESS PLAN

The Local Government Municipal System Act No. 32 of 2000, section 28 stipulates that the Municipal Council must adopt a process to guide the planning, drafting and adoption of its IDP within a prescribes period 10 months before the start of the financial year. In terms of
Municipal Financial Management Act 56 of 2003, section 21 (1)(b) the Mayor must table in the municipal council a schedule outlining the key deadlines for the preparation, tabling and approval of the annual budget, annual review of the Integrated Development Plan as well as the budget related policies and related consultative process.

**DISCUSSION**

The main objective of a Framework Plan is to ensure that the processes of both the District and Local Municipalities’ IDP reviews are mutually linked and can inform each other. As it has to be used by all municipalities as a basis for drafting their process plans, the framework plan has to be agreed by all municipalities. The District Framework Plan binds both the District and Local Municipalities.

The Framework Plan specifies the roles of different role players in the IDP process and determines procedures for coordination, consultation and alignment between the district and the local municipalities. The Framework Plan guides each municipality in preparing its process plan. While the process plan of a local municipality has to be based on appropriate consultation with local communities and to be communicated to them, the Framework Plan has to be based on consultation process with the local municipalities within Ngaka Modiri Molema District Municipality.

**RECOMMENDATION**


2. That Council approves that this Framework and Process Plan be binding, and shall be implemented by all Municipalities in NMMDM.

3. That Council Members make the necessary inputs.

4. That all time frames as outlined in both the Budget and IDP/PMS process plan be supported by all Mayoral Council Members.

5. That the Framework be adopted by NMMDM Council Members.
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<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>Council noted the District Framework for IDP/PMS/Budget process plan of 2019/2020 financial year. Council approved that this Frame work and Process Plan be binding, and shall be implemented by all Municipalities in NMMDM. All time frames as outlined in both the Budget and IDP/PMS process plan are supported by all Mayoral Council Members. Council Members adopted the framework.</td>
<td>C63/2018</td>
</tr>
</tbody>
</table>

CLLR Y SECHOARO  
COUNCIL SPEAKER

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER
C 16/08/2018  REQUEST FOR THE MUNICIPAL COUNCIL TO CREATE CRITICAL POSITIONS

PURPOSE

For the Municipal Council to approve the creation of identified positions.

BACKGROUND

There are critical positions that have been identified by the departments that need to be created and filled if approved for the purpose of enhancing service delivery.

Notwithstanding a Moratorium on Appointments as approved by Council in 2014 on filling of vacancies and the process to review the Municipal Organisation Structure, it necessary for the Municipality to provide human resource capacity to those positions that are deemed critical.

RECOMMENDATIONS

1. That the Municipal Council requests made by departments to create the following critical positions:-
   a) Senior Manager : Office of the Executive Mayor Manager- MPAC
   b) MPAC Legal Officer/Research Officer
   c) MPAC Coordinator/Administrator
   d) Chief Audit Executive – Internal Audit
   e) Chief Risk Officer
   h) Electrician

2. That positions be created and classified as critical and be filled after Moratorium has been lifted

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<tr>
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</table>
| 30 AUGUST 2018  | Council approved the creation of the following critical positions;-
                  | a) Senior Manager : Office of the Executive Mayor Manager- MPAC |
                  | C67/2018    |
b) MPAC Legal Officer/Research Officer  
c) MPAC Coordinator/Administrator  
d) Chief Audit Executive – Internal Audit  
e) Chief Risk Officer  
h) Electrician  

Council approved that created critical and classified positions be filled after Moratorium has been lifted.

CLLR Y SECHOARO  
COUNCIL SPEAKER  

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER
C 17/08/2018 REQUEST TO LIFT THE MORATORIUM ON CRITICAL, FUNDED VACANT POSITIONS

PURPOSE

For the Municipal Council to lift the Moratorium on Appointments to advertise critical funded vacant positions

BACKGROUND

A Moratorium on Appointments was approved and placed by Council in 2014 after realising that the staff complement of the municipality is more than expected.

Notwithstanding a Moratorium on Appointments as approved by Council in 2014 on filling of vacancies and the process to review the Municipal Organisation Structure, it necessary for the Municipality to provide human resource capacity to those positions that are deemed critical.

DELIBERATION

It must be taken into cognizance that the budget for employee related cost is at 44% of the operating budget as opposed to the 35% standard norm on salaries, however these positions are regarded as positions that the Municipality cannot do without as they will be enhancing issues of Governance and Service Delivery.

It is therefore based on this background, that recruitment process be followed to fill in the hereunder positions, noting that a budget of R6m has been allocated for critical positions.

PERSONNEL IMPLICATION

Human Resource Unit in Corporate Services to assist in the development of job descriptions, salary packages and recruitment process for the following positions.

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>POSITION</th>
<th>LEVEL</th>
<th>To be subjected to Job Evaluation Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive and Council</td>
<td>Senior Manager: Office of the Executive Mayor</td>
<td>Section 56</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Manager- MPAC</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>MPAC Legal Officer/Research Officer</td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>
**RECOMMENDATIONS**

1. That the Municipal Council lifts the Moratorium on appointments to advertise the below-mentioned positions.

2. That the following positions be classified as critical and be filled after the Moratorium has been lifted
   
   a) Senior Manager: Office of the Executive Mayor  
   b) Manager- MPAC  
   c) MPAC Legal Officer/Research Officer  
   d) MPAC Coordinator  
   e) Chief Audit Executive – Internal Audit  
   f) Chief Risk Officer  
   g) Manager: Office of the Municipal Manager  
   h) Manager Roads and Transportation Engineer  
   i) Geo-Hydrologist  
   j) Electrician

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<tr>
<td>30 AUGUST 2018</td>
<td>Municipal Council lifted the Moratorium on appointments to advertise the below-mentioned positions. Council approved that the following positions be classified as critical and be filled after the Moratorium</td>
<td>C68/2018</td>
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<tr>
<td></td>
<td>has been lifted</td>
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<tr>
<td>k)</td>
<td>Senior Manager: Office of the Executive Mayor</td>
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<tr>
<td>l)</td>
<td>Manager- MPAC</td>
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<td>t)</td>
<td>Electrician</td>
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CLLR Y SECHOARO  
COUNCIL SPEAKER

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER
C 22/08/2018       SALARY AND WAGE COLLECTIVE AGREEMENT FOR
THE PERIOD 01 JULY 2018 TO 30 JUNE 2021

PURPOSE

To bring to attention of Council, the salary and wage increase as per South African Local

BACKGROUND

On 15 August 2018, the parties to the Council, SALGA, SAMWU and IMATU concluded a multi-
year (3 year) salary and wage collective agreement for the period 01 July 2018 to 30 June
2021. The implementation and application of the agreement is as prescribed on Circular No. 6
OF 2018 of South African Local Government Council (See attached).

RECOMMENDATIONS

1. The Council notes the concluded Collective Agreement on salary and wage increase in
   line with Circular No. 6 of 2018 of South African Local Government Council for all
   qualifying employees.
2. The Council to note that the budget provision for increase was catered for in 2018/19
   budget
3. The increase will be with effect from 01 July 2018.

ANNEXURE

a) Circular No. 06 of 2018
b) Collective Agreement

[Signature]
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<tr>
<td>30 AUGUST 2018</td>
<td>Council noted the concluded Collective Agreement on salary and wage increase in line with Circular No. 6 of 2018 of South African Local Government Council for all qualifying employees. Council noted that the budget provision for increase was catered for in 2018/19 budget Council noted that the increase will be with effect from 01 July 2018.</td>
<td>C73/2018</td>
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</table>

CLLR Y SECHOARO  
COUNCIL SPEAKER

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER
CA 11/08/2018  TERMINATION OF SERVICE: MUNICIPAL MANAGER

PURPOSE

For the Municipal Council to accept the termination of service by Mr M.M.J. Mohlakoana who was appointed as the Municipal Manager of Ngaka Modiri Molema District Municipality.

BACKGROUND

The District Municipality appointed Mr M. M. J. Mohlakoana as the Municipal Manager of Ngaka Modiri Molema District Municipality with effect from 01 September 2017.

On the 30th of August 2018, Mr Mohlakoana handed in a resignation letter to the Executive Mayor intending to terminate his services with immediate effect. Mr Mohlakoana could not serve the 30 day’s notice as stated in his employment contract due to severity of his health condition.

RECOMMENDATION

1. That the municipal council accept the resignation of the Municipal Manager, Mr M. M. J. Mohlakoana due to ill health and declare a vacancy.

2. That the recruitment and selection process unfold to fill the vacancy.

3. That the municipal council appoint the Senior Manager: Corporate Support Services to act at the Municipal Manager for the period not exceeding three (3) months.

4. That the Senior Manager: Corporate Support Services be relinquished from her duties and the Human Resource Manager be appointed as Acting Senior Manager: Corporate Support Services for a period not exceeding three (3) months.

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<tr>
<td>30 AUGUST 2018</td>
<td>council accepted the resignation of the Municipal Manager, Mr. M. M. J. Mohlakoana due to ill health and declare a vacancy.</td>
</tr>
<tr>
<td></td>
<td>Council resolved that the recruitment and selection process unfold to fill the vacancy.</td>
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<td></td>
<td>C80/2018</td>
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</table>

[Signatures]
Council appointed the Senior Manager: Corporate Support Services to act at the Municipal Manager for the period not exceeding three (3) months.

Council resolved that the Senior Manager: Corporate Support Services be relinquished from her duties and the Human Resource Manager be appointed as Acting Senior Manager: Corporate Support Services for a period not exceeding three (3) months.

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<thead>
<tr>
<th>CLLR Y SECHOARO</th>
<th>MRS. M.D. DAMBUZA</th>
</tr>
</thead>
<tbody>
<tr>
<td>COUNCIL SPEAKER</td>
<td>ACTING MUNICIPAL MANAGER</td>
</tr>
</tbody>
</table>
PURPOSE:

The purpose of this item is for Council to approve the Municipal ICT Governance Policy Framework and other ICT policies as attached.

BACKGROUND

The purpose of this policy framework is to institutionalize the Corporate Governance of ICT as an integral part of corporate governance within the Municipality in a uniform and coordinated manner. The policy framework provides a set of principles and practices, which will assist to institutionalize the Corporate Governance of ICT.

Other ICT policies to be reviewed are:

- Backup Policy
- Antivirus Policy
- Firewall Policy
- Password Policy

RECOMMENDATION

1. That Council discusses the attached ICT Governance Policy Framework and other ICT policies as mentioned above, and recommend to Council for approval.
<table>
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<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>Council approved the ICT Governance Policy Framework and other ICT policies</td>
<td>C69/2018</td>
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</table>

CLLR Y SECHOARO  
COUNCIL SPEAKER

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER
C 19/08/2018 LITIGATIONS FOR AND AGAINST THE MUNICIPALITY

Purpose

For Municipal Council to take note of the Litigation Register for and against the Ngaka Modiri Molema District Municipality

Background

1.1. This item is submitted as a standing Item on litigations for and against the District Municipality to keep councillors informed of which cases have been lodged by officials and service providers and also which ones are being lodged by the District Municipality against officials and service providers.

1.2. It was further reported that the Senior Counsel’s Legal Opinion on the Azranite matter was received on the 05th of September 2017 and is still being considered.

1.3. It was also reported that the Unit has successfully and progressively engaged the Office of the Public Protector on issues related to yard connections and the Waste and Water Report. In addition to that a report was given on our engagement with the Office of the South African Human Rights Commission on the water crisis in Mokgola and a Mediation Agreement entered into.

1.4. We did report that we are in pursuit of two (2) Service Providers, namely:

1.4.1. Beyond Build JV, for poor workmanship on the Dinokana Water Supply Project (Attorney has been appointed) and

1.4.2. Izandla Development Projects/Richard Turner.
1.5. However, these low hanging fruits picked by the Advisory Support Unit rely on the cooperation and openness of User Departments such as the Public Works and Basic Services Department and the Finance Services in so far expeditious payments to Attorneys is concerned.

1.6. The following recommendations were made:

1.6.1. The CRSS Portfolio note the Final Litigation Register for and against the NMMDM.

1.6.2. The CRSS Portfolio consider as an item to a joint Financial Services and Corporate Resource Support Services payment schedule for Service Provider more so Attorneys.

1.6.3. The CRSS Portfolio Committee consider as an item to a joint Public Works and Basic Services and Corporate Resource Support Services Portfolio Committee meeting disclosure of projects active and inactive with a reflection on the respective budgets and Expenditure to Date.

2. Current Management of Litigations

2.1. The La Diria Trading 03 CC matter sat before the High Court of South Africa, Mahikeng and a favorable outcome was reached between the two parties. The Unit has received four (4) new/resuscitated matters for the month of October, namely:

2.1.1. Ouses Karline Matlape obo Mosimanegape Matlape
2.1.2. Mr. T.D.H Ramphele
2.1.3. Motsamai Nathaniel Boikanyo and 5 others
2.1.4. Van der Walt and Eljana Trust
2.1.5. Municipal Employees Pension Fund and Akani Retirement Fund
2.1.6. Organisation Undoing Tax Abuse (OUTA) (They are requesting information through PAIA for Groot Marico and Zeerust Waste Water Treatment Plant.

2.1.7. Naphtronics (Pty) Ltd, Azranite and Mototech. These matters were all dismissed in favour of the Municipality with costs and to date only Azranite has effected their cost order. We are pursuing cost orders against Mototech and Naphtronics. Naphtronics after the application was dismissed by North West High Court, they have since applied for an appeal at the Supreme Court of Appeal and we have challenged the application.

2.1.8. Olerato Trading and Enterprise. Olerato Trading and Enterprise issued a Letter of Demand for payment of R380 000-00, however in 2011, he signed settlement agreement of R91 500-00 as full and final settlement.

2.2. Ouses Karline Matlape

This matter relates to a claim for damages against the Ditsobotla Local Municipality and the NMMDM. It is a 2015 case where the Plaintiffs have claimed damages against the DLM for injuries incurred by Mosimanegape Matlape in and around a reservoir in Ditsobotla. The Plaintiff has applied to join the NMMDM to the claim on the belief that we own the said Reservoir.

An Attorney has been appointed to represent the NMMDM in the matter. We are contesting the claim. The Municipal Attorneys are in the process of compiling a plea and misjoinder with Ditsobotla Local Municipality for the claim of R5,5 Million.

2.3. Mr. T.D.H Ramphele

Mr T.D.H Ramphele was employed as the Municipal Manager of the NMMDM from 14 June 2007. Following his appointment he was subjected to a disciplinary enquiry and dismissed from his duties as the Municipal Manager on the 02nd of February 2009.
MR. Ramphele challenged his dismissal by way of a review application in the Labour Court of South Africa and on the 28th of April 2010, the Court through an order found in his favour and ordered a reinstatement with full benefits with effect from the date of dismissal alternatively ordered that Mr. Ramphele be compensated for the balance of his fixed term contract. Armed with the same order, Mr. Ramphele obtained a writ of execution from the Registrar of the Labour Court on 20 May 2010.

However, the NMMDM successfully applied for an order suspending the execution of the writ of execution pending its application for rescission of the judgment he received in his favour on the 28th of April 2010. The suspension order was duly granted on the 03rd of June 2010 and allowed the NMMDM to launch an application for rescission of the 28th of April 2010 judgment.

The NMMDM delayed in launching the rescission application and on the 17th of February 2011, Mr. Ramphele once more obtained a second writ of execution from the Registrar of the Labour Court in an effort to execute the judgment made on the 28th of April 2010. The 2nd Writ of Execution was set aside on the 11th of March 2011.

Following the setting aside of the 2nd Writ of Execution, on or about August 2011, the NMMDM engaged in a settlement negotiation in full and final settlement of the matter. The negotiation culminated in two separate agreements being entered into between the parties on the 10th of August 2011:

1. The first being payment of R 200 000.00 towards Mr. Ramphele and
2. The second being an agreement to pay 3 450 000.00 which was made in full and final settlement of the matter.
The upshot of the agreement is that the parties agreed that the termination of Mr. Rampehele’s employment with the NMMDM will remain in full force and in lieu of his reinstatement he will receive R 3 450 000.00. This amount was paid to Mr. Rampehele.

Notwithstanding settlement of the dispute, on or above 12 November 2012 a period almost fifteen months after the settlement of the dispute, Mr. Rampele addressed a letter to the NMMDM claiming an amount equal to the remainder of R 6 077 544.34 less 3 500 000.00 which was already paid to him. Despite the settlement of the dispute and subsequent to the letter, on the 04th of December 2012 he obtained a writ of execution and a Notice of Garnishee.

The conduct of Mr. Rampele led to the NMMDM instituting on an urgent basis and application before the Labour Court seeking an order to set aside the writ of execution. Mr. Rampele opposed the Application and the matter was heard before the Labour Court which granted judgment in the NMMDM’s favour on 23 June 2014.

Mr. Rampele not being happy with the judgment of the Labour Court on the 23rd of June 2014 sought leave to appeal to the Supreme Court of Appeal. His appeal was dismissed with costs as per the order pf the SCA which was granted on the 17th of November 2014. As a result, the Judgment of the Labour Court on the 23rd of June 2014 remained in force and binding on all parties. However, Mr. Rampele has once more sought a writ of execution on the 28th of April 2010 judgment.

We have applied to the Labour Court to set aside the writ of execution and seek punitive costs against Mr. Rampele, the matter has been removed from the Court roll.
2.4. **Motsamai Nathaniel Boikanyo and 5 others**

This is an Application to review and set aside one remedial action of the Public Protector of South Africa in her report on an Investigation into allegations of maladministration, nepotism, fruitless and wasteful expenditure and purging of staff by the former Municipal Manager, Mr. Mojaki under Report 19 of 2016/17.

The review sought is largely on procedural grounds against the Public Protector of South Africa and the NMMDM on the basis that Council resolved under C 31/2017 to abide to the actions and/or as an interested party to the proceedings. The matter is handled by the Office of the Municipal Manager.

**RECOMMENDATION**

1. That Council notes the Litigation Register for and against the Ngaka Modiri Molema District Municipality.

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<tr>
<td>30 AUGUST 2018</td>
<td>Council noted the Litigation Register for and against the Ngaka Modiri Molema District Municipality.</td>
<td>C70/2018</td>
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**CLLR Y SECHOARO**
COUNCIL SPEAKER

**MRS. M.D. DAMBUZA**
ACTING MUNICIPAL MANAGER
PURPOSE

For Council to take note of the Labour Relation Litigation Register for the Ngaka Modiri Molema District Municipality

BACKGROUND

This item is submitted as a standing Item on labour relations litigations against the District Municipality to keep councilors informed of which cases have been lodged by officials against the District Municipality and the financial implications thereof.

This register will enlighten councilors about matters pending both at the South African Local Government Bargaining Council (SALGBC) for conciliation and arbitration and at The Labour Court for decision by the court which have financial implications for the municipality in an event that the municipality loses these cases.

RECOMMENDATION

1. That Council notes the Labour Relation Litigation Register for the Ngaka Modiri Molema District Municipality.

2. That the Labour Relation Litigation Register be submitted to the Auditor General for audit as part of the municipality’s contingent liabilities.
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<tr>
<td>30 AUGUST 2018</td>
<td>Council noted the Labour Relation Litigation Register for the Ngaka Modiri Molema District Municipality. Council resolved that the Labour Relation Litigation Register be submitted to the Auditor General for audit as part of the municipality’s contingent liabilities.</td>
<td>C71/2018</td>
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CLLR Y SECHOARO  
COUNCIL SPEAKER

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER
PROGRESS REPORT ON THE IMPLEMENTATION OF COUNCIL RESOLUTIONS

PURPOSE
To present the report on the progress made on the implementation of Council Resolutions.

BACKGROUND
Council must on a regular basis be provided with progress reports on the implementation of its resolutions in order to monitor progress, intervene where there is a need and give feedback to communities.

Section 68 of the Standing Orders of Council States that "In respect of resolutions or requests minuted in the minutes of a previous meeting, the Municipal Manager must submit a progress report listing such items that do not appear in the agenda for discussion and the reasons for it to be noted by Council.

Municipal Councils are mandated by the Constitution to ensure that the provision of services to communities are done in a sustainable manner and therefore continuous update on the implementation of Council Resolutions is of vital importance.

RECOMMENDATION
a) That the Progress Report on the Implementation of Council Resolutions be noted.

b) That Councillors be urged to submit motions if more clarity is sought on the status of any of the Council Resolutions

ATTACHMENT
Resolution Register

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Cllr Y Sechoaro  
COUNCIL SPEAKER

Mrs. M.D. Dambuza  
ACTING MUNICIPAL MANAGER
REPORT ON TASK JOB EVALUATION PROCESS

PURPOSE

To submit the costed Report on Task Job Evaluation Process for consideration by the Council.

BACKGROUND

The Job Evaluation Process was initiated in 2002 by Parties to SALGBC. In 2004 parties signed a Collective Agreement on Task Job Evaluation which lapsed in 2009 with the matter not being concluded. In terms of Categorisation and Job Evaluation Wage Curves Collective Agreement of 01 July 2010 which expired on 30 June 2012 our municipality was categorized as Grade three (3) and no extension nor new Collective Agreement was concluded thereafter. In 2011 it was resolved by SALGA that Municipalities on their own should appoint the focal person to conduct the evaluation to bring the process to finality. In 2012, SALGA developed a Task Job Evaluation Policy for Municipalities to take the process forward. The Policy was to be adopted by respective municipal councils and Ngaka Modiri Molema District Municipality resolved (Resolution SC54/2013) to adopt the Policy at its special meeting held on 09 September 2013.

TASK Job Evaluation System is a recognized system within the local government sector as approved by the National Executive Committee (NEC) of SALGA. The system was introduced for uniformity and assist municipalities to determine remunerations to be payable to officials performing similar functions.

The TASK Job Evaluation System is essential for a variety of sector processes such as wage bargaining, comparative understanding of workforce establishment levels and organizational development, sector skills planning, employment equity and the organization of education and training.

The developer and the owner of this system is Deloitte and Touché and hence is the sole provider for the TASK Job Evaluation System in the Local Government Sector. Council took a resolution to appoint Deloitte and adopt the Job Evaluation Policy as per council resolution no: 54/2013 JOB TASK on 09 September 2013. It is on this background that Council has delegated the office the Municipal Manager to finalize Job Evaluation Process in line with TASK Job Evaluation Policy for Municipalities and in accordance with the Municipal Objectives as required by Section 67 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000 as amended).
Purpose of the TASK Job Evaluation Policy

- To implement the TASK Job Evaluation System within the Local Government Sector to achieve uniform norms and standards in the description of similar jobs and their grading across the municipal sector;

- To provide for the necessary structures, institutional arrangements and procedures for the evaluation of jobs in municipalities;

- To ensure that single job evaluation system is implemented to avoid remuneration disparities for similar categories of municipalities within the Local Government Sector.

ROLE AND RESPONSIBILITIES OF THE MUNICIPAL MANAGER AS OUTLINED IN THE JOB EVALUATION POLICY FOR LOCAL GOVERNMENT 2012

- The Municipal Manager is responsible for ensuring the implementation of the TASK Job Evaluation System in the Municipality;

- The Municipal Manager must ensure that the designated JE Manager takes full responsibility for supporting and directing the job evaluation implementation and maintenance process.

- The Municipal Manager shall ensure that sufficient staff and resources are allocated to support the process;

- The Municipal Manager shall in terms of Section 66 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000 as amended) ensure that there is a job description for each post on the staff establishment of the municipality;

- The Municipal Manager must ensure that the municipality keeps custody of the copies of job descriptions for all posts;

- The Municipal Manager shall incorporate the responsibility for the compilation of the job description in the performance contract of every Manager (Municipality to determine);

- The Municipal Manager shall ensure that all staff are informed of the objectives of the TASK JE System as required in terms of Section 67 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000 as amended);
The Municipal Managers for the cluster of municipalities who are responsible for job evaluation at district level shall appoint appropriate persons to serve on the Job Evaluation Unit;

Municipal Managers shall ensure that Job Evaluation Units are established and are functional.

**PROCESS UNDERTAKEN BY NMM DISTRICT JOB EVALUATION COMMITTEE**

a) Professional Service Provider was appointed in April 2013 to review and develop Job Descriptions in a TASK format.

b) Council took a resolution to appoint Deloitte and adopt the Job Evaluation Policy as per Council Resolution no: 54/2013 JOB TASK on 09 September 2013.

c) For the purpose of skills transfer, the Municipality entered into a joint venture approach with Deloitte until finality of the process at district level as per contract.

d) The Locals were requested to submit 5 delegates namely: Nicholas Molale; Basetsana Mahape; Didimalang Selogelo; Onalenna Sekgarametso and Florence Sebanyoni to establish District Job Evaluation committee inclusive of union representation in which NMMDM was represented by Victor Racoco from SAMWU.

e) The committee was trained by Deloitte from 26 to 27 September 2013 in the usage of TASK Job Evaluation System and the whole administration of grading of positions.

f) The project started on the 04th of November 2013 until 05 March 2014. The withdrawal of 2013/14 Organisational Structure led to the evaluation and grading of the positions which were excluded that time and finalized on the December 2016.

g) All positions in the Organisational Structure approved in 2012 are evaluated and graded.

h) Moderation of results was conducted on 30th of July to 01 August 2014.

i) SALGA took over the process in 2014 entering in contract with Deloitte on behalf of all Municipalities for three (3) years and extended with a year upon expiry. SALGA trained the District Job Evaluation Committee on the 13th October 2014 – 17th October 2014 for
Ngaka Modiri Molema District to fast-track the process and NMMDM was represented by Nicholas Molale and Onalenna Sekgarametso.

j) The District Job Evaluation Committee concluded the grading of the outstanding positions in December 2016.

k) The NMMDM resubmitted the outstanding Job Evaluation Results for Audit process on the 13 January 2017.

l) The results were submitted to SALGA for audit process by Provincial Audit Committee and the process was completed on the 20th January 2017.

m) The Provincial Audit Committee was in our Municipality on the 14th February 2017 to present the results to Management which was postponed and finally the Provincial Audit Committee presented the outcome of the audited results of TASK Job Evaluation to the Municipal Manager and Senior Management on the 28 May 2018.

4. PROCESS TO BE FOLLOWED AFTER AUDIT PROCESS

4.1 The Municipal Manager must cost the financial implication affected by the audited TASK Job Evaluation results.

4.2 The employees will be placed on the salary notch on the new pay scale for the applicable TASK grade which is the closest higher salary notch to their existing salary notch;

4.3 The employees whose current salary notch is lower than the minimum of the applicable TASK grade scale will be placed on the minimum of the applicable new TASK salary scale

4.4 The employees whose basic salary is higher than the new TASK grade maximum will retain their existing basic salary on a personal to holder basis;

4.5 In the event of clause 4 above, annual cost of living adjustments as determined by the South African Local Government Bargaining Council will be applied to the salary rate as retained by employee from the date on which such an adjustment is applicable.

4.6 The Municipal Manager must submit costed audited TASK Job Evaluation results to Council for approval with specific date of implementation and will be the 1st of the
month following the month when the final authority has approved the new grade.

4.7 The Municipal Manager must communicate audited TASK Job Evaluation results to all employees for the positions they occupy.

4.8 The employee may lodge a review application not later than thirty (30) working days from the date of notification of Job Evaluation results.

4.9 The onus shall be on the employee to prove that the TASK System was inconsistently applied when the post was graded.

5. MOTIVATION

a) That the Report be accepted and implemented accordingly

6. DEPARTMENTAL RECOMMENDATIONS

a) That Senior Management note and recommends to council for approval and implementation of the audited TASK Job Evaluation outcomes.

b) That the implementation of audited TASK Job Evaluation outcomes with effect from the 1st of the month following the month when the final authority has approved the new grade.

c) That the Municipal Manager be delegated to finalize the entire phases of the implementation of audited TASK Job Evaluation outcomes.

7. SENIOR MANAGEMENT RECOMMENDATIONS

a) That the Portfolio Committee notes and recommends to the Municipal Council through the Mayoral Committee for approval and implementation of the audited TASK Job Evaluation outcomes.
b) That the implementation of audited TASK Job Evaluation outcomes be with effect from the 1st of the month following the month in which the Municipal Council has approved the new grades.

c) That the Municipal Manager be delegated to finalize the entire phases of the implementation of audited TASK Job Evaluation outcomes.

8. CORPORATE SUPPORT SERVICES PORTFOLIO COMMITTEE RECOMMENDATIONS

a) That the Mayoral Committee notes and recommends to the Municipal Council through the Mayoral Committee for approval and implementation of the audited TASK Job Evaluation outcomes.

b) That the implementation of audited TASK Job Evaluation outcomes be with effect from the 1st of the month following the month in which the Municipal Council has approved the new grades.

c) That the Municipal Manager be delegated to finalize the entire phases of the implementation of audited TASK Job Evaluation outcomes.

d) That the Mayoral Committee notes an amount of R444 855.54 per annum as addition to the current salary budget calculated on the basic salary as per the audited TASK Job Evaluation outcomes.

8. MAYORAL COMMITTEE RECOMMENDATIONS

a) That the Council approves the implementation of the audited TASK Job Evaluation outcomes.

b) That the implementation of audited TASK Job Evaluation outcomes be with effect from the 1st of the month following the month in which the Municipal Council has approved the new grades.
c) That the Municipal Manager be delegated to finalize the entire phases of the implementation of audited TASK Job Evaluation outcomes.

d) Categorisation and Job Evaluation Wage Curves Collective Agreement of 01 July 2010 categorized Ngaka Modiri Molema District Municipality as Category three (3) Municipality.

e) That the Council notes an amount of R444 855.54 per annum as addition to the current salary budget calculated on the basic salary as per the audited TASK Job Evaluation outcomes.

f) That the amount be financed from the savings of the budgeted critical positions not yet filled.

ANNEXURES
a) Costed Job Evaluation Report

NB: THE REPORT WILL BE DISTRIBUTED DURING THE MEETING

<table>
<thead>
<tr>
<th>DATE OF MEETING</th>
<th>RESOLUTION</th>
<th>RESOLUTION NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>Council approved the implementation of the audited TASK Job Evaluation outcomes. Council approved that the implementation of audited TASK Job Evaluation outcomes be with effect from the 1st of the month following the month in which the Municipal Council has approved the new grades. Council delegated Municipal Manager to finalize the entire phases of the implementation of audited TASK Job Evaluation outcomes.</td>
<td>C74/2018</td>
</tr>
</tbody>
</table>
Council noted that Categorisation and Job Evaluation Wage Curves Collective Agreement of 01 July 2010 categorized Ngaka Modiri Molema District Municipality as Category three (3) Municipality.

Council noted that an amount of R444 855.54 per annum as addition to the current salary budget calculated on the basic salary as per the audited TASK Job Evaluation outcomes.

Council approved that the amount be financed from the savings of the budgeted critical positions not yet filled.

CLLR Y SECHOARO
COUNCIL SPEAKER

MRS. M.D. DAMBUZA
ACTING MUNICIPAL MANAGER
C 24/08/2018  NEW POLICY DIRECTIVES

PURPOSE

To request Council to note the New Policy Directive from the Executive Council (EXCO) on the use of the **Concrete** in daily narratives.

BACKGROUND

A media statement was received from the Office of the Premier on the resolution of EXCO meeting held on the 25 July 2018 in relation to the Programme of Action to expedite service delivery in the Province for auctioning.

DELIBERATION

It is against this background that Council note the New Policy Directive that indicate that the Province should discontinue the use of the **Concrete** in daily narratives in order to align with the national discourse.

RECOMMENDATIONS

It is therefore recommended that Council:

1. Note the EXCO resolution on the New Policy Directive to discontinue the use of **Concrete** on daily narratives.


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<tr>
<th>DATE OF MEETING</th>
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<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>Council deferred the item back for the next council meeting.</td>
<td>C75/2018</td>
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</tbody>
</table>

CLLR Y SECHOARO  
COUNCIL SPEAKER

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER
C 25/08/2018  UNSOLICITED BID FOR PARKING SERVICES

PURPOSE

To request Council to consider a request for Unsolicited Bid in terms of Section 113 (2) of the Municipal Finance Management Act 56 of 2003 and consider from a "person who is a sole provider of the product or service" for provision of a secure parking space for Head Office staff.

BACKGROUND

The expenditure in relation to the parking space at Aliangy Enterprise CC has always been considered an irregular expenditure as it does not conform to supply chain management regulations.

Historically, the service was acquired without following proper supply chain management processes as a result, the Auditor General has always qualified this expenditure and it therefore calls for the Municipality to act and correct the anomaly.

DELIBERATION

It could generally be construed as none core for the municipality to provide parking space for its employees, however, NMMDM have its Head Office situated at a busy corner Carrington and First Avenue, Industrial Site of Mahikeng with businesses located just across. Unlike other offices of the municipality, the area does not make provision for secure and safe parking space at a radius of atleast fifty (50) to hundred (100) meters away from the main entrance of the municipality, as a result the parking space around head office is mainly reserved for businesses adjacent.

Under these circumstances, Aliangy Enterprise CC situated at No. 6 Industrial Site, Mahikeng next to the Municipal Head Office was approached and engaged to assist the Municipality with the provision of unused parking space located at their offices and they acceded to the request. It could be confirmed that their facilities are secured, safe and for the duration of this agreement, there were no incidents of theft, car breaking or even stolen vehicles were experienced.

It is a challenge that a large number of vehicles of our officials parked in and around the area might disrupt and inconveniencing businesses located around a busy First Street and might also attract criminal activities.
PERSONNEL IMPLICATION

Department of Corporate Support Services to assist in the development of specifications of an Unsolicited Bid for Parking Area Services to be submitted to Supply Chain.

FINANCIAL IMPLICATION

Department of Corporate Services to provide a budget for the Parking Area Services.

RECOMMENDATIONS

It is therefore recommended that Council:

1. Deliberate and approve the implementation of the Unsolicited Bid in terms of Section 113 (2) of the Municipal Finance Management Act 56 of 2003 to consider a bid from “a person who is a sole provider of the product or service” for provision of a secure parking space for Head Office staff.

2. Note that the implementation will be done in accordance with a prescribed framework outlined in Regulation 37 (2) (a) (b) (c) (d), Sub Regulations (3) (4) (5) (6) (7) (8) and (9) of the Supply Chain Management Regulations

3. Corporate Services shall submit the specification to Supply Chain and manage the implementation of the process.

4. Supply Chain Management Unit be responsible for the execution of the bidding process.

5. Municipal Manager to look at the possibility of purchasing Aliangy parking space as a long term solution space

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<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>The Item was differed to MM</td>
<td>C76/2018</td>
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</table>

CLLR Y SECHOARO
COUNCIL SPEAKER

MRS. M.D. DAMBUZA
ACTING MUNICIPAL MANAGER
REPLACEMENT OF A NOMINATION OF AN OFFICIAL TO SERVE ON THE FINANCIAL DISCIPLINARY BOARD FOR NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY

Purpose

To request Council to approve the replacement of Ms Sasa Thaganyane with Mr Jerry Rickert, a Deputy Director in the Department of Local Government & Human Settlement to serve on the Financial Disciplinary Board of Ngaka Modiri Molema District Municipality.

Background

Council during its meeting on the 27th of March 2018 resolved with Council Resolution C24/2018 to appoint five (5) members serve on the Disciplinary Board for Ngaka Modiri Molema District Municipality. (Attached is the Council Resolution)

One of the appointed members, Ms Sasa Thaganyane decline the appointment.

Deliberations

It is therefore based on this background that the Municipality requested the Department of Local Government & Human Settlement to nominate an individual or official to serve on the Financial Disciplinary Board in line with Section 75 of the MFMA in relation to the Municipal Regulations on Financial Misconduct, Procedures and Criminal Misconduct.

The Department of Local Government & Human Settlement has identified Mr Jerry Rickert to serve on the Board. (Attached is the Confirmation letter from DLG&HS)

Recommendation
It is therefore recommended that Council:

1. Approve the replacement of Ms Sasa Thaganyane with Mr Jerry Rickert to serve on the Financial Disciplinary Board.
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<tr>
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<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>Council approved the replacement of Ms Sasa Thaganyane with Mr Jerry Riekert to serve on the Financial Disciplinary Board.</td>
<td>C77/2018</td>
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</table>

CLLR Y SECHOARO
COUNCIL SPEAKER

MRS. M.D. DAMBUZA
ACTING MUNICIPAL MANAGER
ATTACHED Audit Committee report for the 3rd quarter 2017/18

MANDATE

Section 166 (2) (a) of the MFMA provides that:

2) "An audit committee is an independent advisory body which must a. Advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to –

i. Internal financial control and internal audits;
ii. Risk management; iii. Accounting policies;
iii. The adequacy, reliability and accuracy of financial reporting and information;
iv. Performance management
v. Effective governance v. Compliance with this act, the annual Division of Revenue Act and any other applicable legislation;
vi. Performance evaluation; and
vii. Any other issue referred to it by the municipality or municipal entity."

Part 1, subparagraph on reporting (Pg. 7) of the National Treasury - MFMA Circular No. 65 provides that:

"The chairperson of the audit committee will report on a quarterly basis, or more frequently if required, to the municipal council on the operations of the internal audit unit and the audit committee. The report should include:
A summary of the work performed by the internal audit and the audit committee against the annual work plan;

- Effectiveness of internal controls and additional measures that must be implemented to address identified risks;

- A summary of key issues dealt with, such as significant internal and external audit findings, recommendations and updated status thereof;

- Progress with any investigations and their outcomes;

- Details of meetings and the number of meetings attended by each member; and other matters requested of the internal audit and audit committee.”

BACKGROUND

The audit committee held its inaugural meeting on 05 June 2018. Reports from management were considered and the Audit Committee made recommendations based on the outcome of analysis of reports submitted.

RECOMMENDATIONS

1. That Council considers the recommendations of the Audit Committee. 2. That the issue of the Internal Audit structure relating to the abolished Chief Audit Executive (CAE) position be addressed as a matter of urgency i.e. the process to review the structure and re-establishment of the CAE position be embarked on.

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<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>Council considered the recommendations of the Audit Committee.</td>
<td>C78/2018</td>
</tr>
</tbody>
</table>
2. Council resolved that the issue of the Internal Audit structure relating to the abolished Chief Audit Executive (CAE) position be addressed as a matter of urgency i.e. the process to review the structure and re-establishment of the CAE position be embarked on.
C 28/08/2018 AUDIT COMMITTEE CHARTER 2018/19

ATTACHED

Audit Committee Charter 2018/19

MANDATE

Section 166 (1) & (6) (a) of the MFMA provides that each municipality must have an audit committee. A single audit committee may be established for a district municipality and the local municipalities within that district municipality.

Clause 2.3 of the National Treasury: Internal Audit Framework (Page 12) provides that the purpose, roles, responsibilities and authority of the Audit Committee should be clearly documented in a charter. In relation to municipalities, the Council should approve the Audit Committee charter.

BACKGROUND

The audit committee is an independent committee of council which must advice the municipal council, political office-bearers, the accounting officer and management staff of the municipality. The audit committee performs the responsibilities assigned to it by section 166 of the MFMA, and the corporate governance responsibilities delegated to it under its charter by the council.

An Audit Committee Charter is the written terms of reference approved by the council which outlines the mandate of the audit committee. The charter becomes the policy of the audit committee which then informs the contracts of the audit committee members. A charter should be used to guide the activities of an audit committee on an ongoing basis. A clear, well written charter should set out the objectives, roles and responsibilities, composition, structure and membership requirements, relationships with other stakeholders, authority for the committee to conduct enquiries and access municipality and municipal entity’s records and personnel, outlines procedures for meetings, addresses the confidentiality and independence of committee members, and provides for ethical conduct and reporting.

The Audit Committee reviewed the Audit Committee charter during the meeting held on 05 June 2018.
RECOMMENDATIONS

1. That Council approves the Audit Committee Charter 2018/19.  
2. That the approved Audit Committee Charter be published on the municipal website to promote awareness to all stakeholders.

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<tr>
<th>DATE OF MEETING</th>
<th>RESOLUTION</th>
<th>RESOLUTION NUMBER</th>
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</thead>
</table>
| 30 AUGUST 2018  | Council approved the Audit Committee Charter 2018/19.  
Council resolved that the approved Audit Committee Charter be published on the municipal website to promote awareness to all stakeholders. | C79/2018 |

C LLR Y S ECHOARO  
COUNCIL SPEAKER  

M R S. M. D. D AMBUZA  
ACTING MUNICIPAL MANAGER
1. PURPOSE

To report and adjust unauthorized expenditure from 2011/12 to 2016/17 financial year as provided for in Section 32 of the Municipal Financial Management Act 56 of 2003.

2. LEGISLATIVE FRAMEWORK

Section 1 of the Municipal Finance Management Act No 56 of 2003 defines unauthorised expenditure as follows:

"unauthorised expenditure", in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

a) overspending of the total amount appropriated in the municipality’s approved budget;

b) overspending of the total amount appropriated for a vote in the approved budget;

c) expenditure from a vote unrelated to the department or functional area covered by the vote;

d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;

e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of “allocation” otherwise than in accordance with any conditions of the allocation; or

f) a grant by the municipality otherwise than in accordance with this Act.

The above legislation reads to with Section 29 of Municipal Finance Management Act, No. 56 of 2003 which stipulates that:
1) The mayor of a municipality may in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget.

2) Any such expenditure –
   
a) must in accordance with any framework that may be prescribed;

b) may not exceed a prescribed percentage of the approved annual budget;

c) must be appropriated in an adjustment budget.

If such adjustments budget is not passed within 60 days after the expenditure is unauthorised and section 32 applies.

**As a result, the following processes should be followed when considering authorisation of unauthorised expenditure:**

Firstly, council must consider the following factors:

i. Has the matter been referred to Council for a determination and decision?

ii. Has the nature, extent, grounds and value of the unauthorised expenditure been submitted to Council?

iii. Has the incident been referred to a council committee for investigation and recommendations?

iv. Has it been established whether the accounting officer or official or public office bearer that made, permitted or authorised the unauthorised expenditure acted deliberately or in a negligent or grossly negligent manner?

v. Has the accounting officer informed Council, the mayor or the executive committee that a particular decision would result in an unauthorised expenditure as per section 32 (3) of the MFMA?
vi. Are there good grounds shown as to why an unauthorised expenditure should be authorised? For example:

- the mayor, accounting officer or official was acting in the best interests of the municipality and the local community by making and permitting unauthorised expenditure;
- the mayor, accounting officer or official was acting in good faith when making and permitting unauthorised expenditure; and
- the municipality has not suffered any material loss as a result of the action.

Therefore, in these instances, the council may authorise the unauthorised expenditure. If unauthorised expenditure is approved by council, there would be no further consequences for the political office-bearers or officials involved in the decision to incur the expenditure.

3. DISCUSSIONS

During 2016/17 audit year, the Auditor General reported limitation of scope with regard to unauthorized expenditure balances for 2011/12 to 2016/17 financial years. As results, the municipality took an initiative to address this finding raised by Auditor General. Practically, unauthorized expenditure balances were recalculated and it was balanced back to supporting schedules and adjustments to note 32 of 2016/17 Annual Financial Statement were proposed. Below is the summary of 2011/12 to 2016/17 financial year unauthorized expenditure recalculation.
Table 1: Summary of unauthorized expenditure recalculations for 2011/12 to 2016/17 financial year

<table>
<thead>
<tr>
<th>No</th>
<th>Period</th>
<th>Movement</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2009/10 Closing balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>2010/11 Closing balance</td>
<td>R -199,067,395</td>
<td>R -199,067,395</td>
</tr>
<tr>
<td>3</td>
<td>2011/12 Closing balance</td>
<td>R -1,196,721,133</td>
<td>R -1,395,788,528</td>
</tr>
<tr>
<td>4</td>
<td>2012/13 Closing balance</td>
<td>R -520,681,141</td>
<td>R -1,916,469,669</td>
</tr>
<tr>
<td>5</td>
<td>2013/14 Closing balance</td>
<td>R -543,135,335</td>
<td>R -2,459,605,004</td>
</tr>
<tr>
<td>6</td>
<td>2014/15 Closing balance</td>
<td>R -545,192,247</td>
<td>R -3,004,797,252</td>
</tr>
<tr>
<td>7</td>
<td>2015/16 Closing balance</td>
<td>R -433,184,214</td>
<td>R -3,437,981,466</td>
</tr>
</tbody>
</table>

Per AFS 2016/17

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unauthorized Expenditure Opening</td>
<td>-1,562,125,979</td>
<td>-1,282,117,309</td>
</tr>
<tr>
<td>Adjustment</td>
<td>-142,066,586</td>
<td>-280,008,670</td>
</tr>
<tr>
<td>Unauthorized Expenditure Closing</td>
<td>-1,704,192,565</td>
<td>-1,562,125,979</td>
</tr>
</tbody>
</table>

After recalculations and Adjustment

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unauthorized Expenditure Opening per recalculation</td>
<td>-3,004,797,252</td>
<td>-2,459,605,004</td>
</tr>
<tr>
<td>Adjustment</td>
<td>-433,184,214</td>
<td>545,192,247,22</td>
</tr>
<tr>
<td>Per Recalculated Amount</td>
<td>-3,437,981,466</td>
<td>-3,004,797,252</td>
</tr>
</tbody>
</table>

The total recalculation for unauthorized expenditure balance for 2016/17 financial year is R 3,437,981,466.

4. RECOMMENDATIONS

It is recommended that:

4.1 The Council notes the recalculated amount of R 3,437,981,466 billion for unauthorized expenditure for 2011/12 to 2016/17 financial years;

4.2 The Council to make a determination and decision for recalculated amount of R 3,437,981,466 for unauthorized expenditure for 2011/12 to 2016/17 financial years;
4.3  The Mayoral Committee to refer for further investigation by council committee to determine the nature, extent, grounds and value of the 2011/12 to 2016/17 unauthorized expenditure; and

4.4  The Mayoral Committee refers the 2011/12 to 2016/17 unauthorized expenditure to a council committee for recommendations after investigation.

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<tr>
<th>DATE OF MEETING</th>
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<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>Council noted the recalculated amount of R 3,437,981,466 for unauthorized expenditure for 2011/12 to 2016/17 financial years; Council made a determination and decision for recalculated amount of R 3,437,981,466 for unauthorized expenditure for 2011/12 to 2016/17 financial years; Council further resolved to investigate to determine the nature, extent, grounds and value of the 2011/12 to 2016/17 unauthorized expenditure; and</td>
<td>C81/2018</td>
</tr>
</tbody>
</table>

Cllr Y Sechoaro  
COUNCIL SPEAKER

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER
CA 02/08/2018  TARIFF LOSSES DUE TO OLD TARIFF USED FOR
COUNCIL WRITE-OFF APPROVAL

PURPOSE

To provide Council with the detailed report on the non-implementation of council approved rates.

BACKGROUND

In terms of the Municipal Finance Management Act 56 of 2003 section 24(1)(2)(a)(b)(c)(i)(ii) the Municipality needs to prepare and approve the budget and municipal tariffs before beginning of the financial year. The Budget and the Municipal Tariffs needs to be publicised and consulted with the public and all the other stakeholders in line with the Budget processes as outline in terms of the Municipality Finance Management Act of 56 of 2003 of section 22 and 23 respectively read together with the Municipal Systems Act. The tariffs that have been approved by the council needs to be implemented simultaneously with the budget at the beginning of the financial year.

DISCUSSIONS

During the audit process it was noted that the municipality did not implement the tariffs that were approved by council for implementation. The non-implementation of the council approved tariffs will result in the municipality losing revenue from services rendered.

<table>
<thead>
<tr>
<th>Description of the Tariff per service</th>
<th>Tariffs currently used by the cashiers</th>
<th>Approved Council Tariffs</th>
<th>Losses per Transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water tariff (flat rate)</td>
<td>R17/kl</td>
<td>R18/kl</td>
<td>R1/kl</td>
</tr>
<tr>
<td>Water tanker -10kl</td>
<td>R14/kl</td>
<td>R15/kl</td>
<td>R1/kl</td>
</tr>
<tr>
<td>Water tanker-14kl</td>
<td>R16/kl</td>
<td>R17/kl</td>
<td>R1/kl</td>
</tr>
<tr>
<td>Water tanker-18kl</td>
<td>R20/kl</td>
<td>R19/kl</td>
<td>R1/kl</td>
</tr>
<tr>
<td>Service Description</td>
<td>Unit Costs (R)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------------------------</td>
<td>-----------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water tanker-20kl</td>
<td>R22/kl</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yard Connection</td>
<td>R3 768</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vacuum Tanker (suction of sanitation facilities at a rate of R14/km for a distance of 10km)</td>
<td>R371</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Service ruck Tariffs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machine Motor Grader (15 tons)</td>
<td>R450/hr</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Motor Grader (15 tons)</td>
<td>R550/hr</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tractor loader</td>
<td>R310/hr</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6m3 tipper Truck</td>
<td>R360/hr</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6m3 tipper truck</td>
<td>R15/km</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,7 m3 front end loader</td>
<td>R450/hr</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tractor</td>
<td>R 450/hr</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pedestrian Roller</td>
<td>R 180/hr</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6kl Water Bowser</td>
<td>R 360/hr</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6kl water bowser</td>
<td>R 15/km</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Ton low bed &amp; hoarse</td>
<td>R30,50/km</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Ton low and hoarse</td>
<td>R 40,50/km</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-40-ton low bed &amp; hoarse</td>
<td>R65,50/km</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tender Documents Tariffs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R200 000-R500 000</td>
<td>R212</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R500001-R1 000 000</td>
<td>R342</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R1 000 001-R2 000 000</td>
<td>R530</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R2 000 0001-R10 000 000</td>
<td>R1590</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R10 000 001 and above</td>
<td>R2650</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The below table indicates the actual losses suffered by the municipality due to the non-implementation of the council approved tariffs for the financial year 2016/17 as well as the 2017/18.

<table>
<thead>
<tr>
<th>Type of Services</th>
<th>Amount of Revenue Lost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of Tender Documents</td>
<td>R 43 670,00</td>
</tr>
<tr>
<td>Sundry Sewer Income</td>
<td>R 11 515,00</td>
</tr>
<tr>
<td>Yard Connections</td>
<td>R 140 685,00</td>
</tr>
<tr>
<td>Sales of water Token</td>
<td>R 1870,00</td>
</tr>
</tbody>
</table>
NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY

Sales of Water  R 64 585
Total Estimated Losses  R 262 325,00

RECOMMENDATIONS

It is recommended that;

1. The Council recommends to Council note the total loss of R 262 325, 00 due to unimplemented approved tariffs.
2. The investigation be initiated for non-implementation of the council approved tariff that lead revenue losses by Council.

<table>
<thead>
<tr>
<th>DATE OF MEETING</th>
<th>RESOLUTION</th>
<th>RESOLUTION NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>Council noted the total loss of R 262 325, 00 due to unimplemented approved tariffs. Council resolved that the investigation be initiated for non-implementation of the council approved tariff that lead revenue losses by Council.</td>
<td>C82/2018</td>
</tr>
</tbody>
</table>

CLLR Y SECHOARO
COUNCIL SPEAKER

MRS. M.D. DAMBUZA
ACTING MUNICIPAL MANAGER
CA 03/08/2018       INVENTORY VARIANCE WRITE-OFF

PURPOSE

To obtain the authorization of the Council to recommend to council to write-off inventory variances that cannot be verified.

BACKGROUND

The Municipality has been obtaining a qualification on inventory items for the past 7 years; however balances on inventory items were fully supported and verified by Auditor General of South Africa (AGSA) for the 2016/2017 financial year end.
In lieu of the above paragraph, underlying variances as a result of correctly accounting for physical stock count and theoretical stock resulted into a variance in inventory which needs to be written off as general expenditure in the income statement.

The variances arose from both consumables and Raw materials.

DISCUSSIONS

Inventory items to the value of **R 172,782.72 and R 1,808,782.51** has no supporting documentation and as such cannot be verified. The AGSA has raised a finding regarding the verification that for accounting purposes this was done correctly however it is not done accordantly as the write-off needs to be approved by council.

RECOMMENDATION

1. Based on these findings and the fact that there is no documentation to substantiate and support the variances for inventory items. It is therefore recommended that Council propose to council write off the inventory item variances of **R 172,782.72 and R 1,808,782.51** as this an error that will persist and can never be supported with any documentation.

This will also assist the municipality in avoiding the reoccurring finding raised by the AGSA.
<table>
<thead>
<tr>
<th>DATE OF MEETING</th>
<th>RESOLUTION</th>
<th>RESOLUTION NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>Council wrote off the inventory item variances of R 172,782.72 and R 1,808,782.51 as this an error that will persist and can never be supported with any documentation.</td>
<td>C83/2018</td>
</tr>
</tbody>
</table>
CA 04/08/2018    INVENTORY WRITE-OFF

PURPOSE

To obtain the authorization of Council to write-off inventory that cannot be verified.

BACKGROUND

The Municipality has been obtaining a qualification on inventory items for the past 7 years; as a result the balance on inventory could not be fully supported and verified by Auditor General of South Africa (AGSA).
In lieu of the above paragraph, the proposed correction to these findings is for council to consider writing off the Inventory to general expenditure in the income statement.

Efforts were made by the municipality to have reliable balances and this was achieved internally by correction of accounting treatments for inventory. AGSA accepted the approach and recommended that it needed council approval for it to be dealt away with.

DISCUSSIONS

Inventory items to the value of R 12,390,120.20 has no supporting documentation and as such cannot be verified. The AGSA has raised a reoccurring finding regarding the verification and made a recommendation that the error does not have a specific period which is traceable for it to be able allocated and therefore should be written-off.

RECOMMENDATION

1. Based on these findings and the fact that there is no documentation to substantiate and support this inventory items. It is therefore recommended that Council should propose that council write off the inventory items of R 12,390,120.00 as this an error that will persist and can never be supported with any documentation.

This will also assist the municipality in avoiding the reoccurring finding raised by the AGSA.
<table>
<thead>
<tr>
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<th>RESOLUTION</th>
<th>RESOLUTION NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>Council wrote off the inventory items of R 12,390,120.00 as this an error that will persist and can never be supported with any documentation.</td>
<td>C84/2018</td>
</tr>
</tbody>
</table>

CLLR Y SECHOARO  
COUNCIL SPEAKER

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER

JF
PURPOSE
This serves as irregular report for MAXPROF vat recovery

BACKGROUND
The first contract entered between the municipality and MAXPROF was procured irregular in May 2012 Annexure A
The contract was terminated and MAXPROF reinstated for vat recovery through reaching settlement Annexure B
The irregularity was further endorsed by the letter from the then former CFO see Annexure C Mr Mofokeng.

RECOMMENDATIONS
1. That Council notes the report on irregular investigation analysis for Maxprof because the matter is already being investigated by Municipal Public Accounts Committee (MPAC).

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>Council noted the report on irregular investigation analysis for Maxprof.</td>
<td>C85/2018</td>
</tr>
</tbody>
</table>

Cllr Y Sechoaro
COUNCIL SPEAKER

Mrs. M.D. Dambuza
MUNICIPAL MANAGER
CA 06/08/2018

REPORT ON IRREGULAR EXPENDITURE ON WATER TINKERING FOR PERIOD DECEMBER 2017 AND JANUARY 2018 REGULATION 36 (a) (i).

PURPOSE

This serves as irregular expenditure resulted from usage of Ziggy investment CC who was not Tax compliance for December 2017 and January 2018.

BACKGROUND

1. Three quotations were requested from service provider for the period of December 2017 and awarded to Ziggy investment CC the lowest quotation. (Annexure A)

2. Scope of work extended for January 2018 due to emergency letter dated 27 December 2017. Annexure B

3. Based on the extension of work for January 2018 period it was discovered that Ziggy investment is Tax non-compliant and the amount R 993,743.70 as per both CSD database and CSD compliance history report is deemed irregular expenditure after investigation. (Annexure C)

4. Ziggy investment non-compliance tax status 10th March 2017 – 22nd March 2018 meaning for the period December 2017 and January 2018 Ziggy water tinkering service is irregular expenditure. (Annexure C)

5. The amount of January 2018 at the value of R 993,743.70 and per Dec 2017 at the value of R 995,850.00 are regarded as irregular due to awarding to suppliers who is non tax compliant. (Annexure D)
6. MFMA Circular 90 Tax compliance status issued at the end of January 2018 requires SCM officials to verify tax compliance status prior to the finalization of the award of the bid or price quotation as indicated on page 2 of 3 of the circular. (Annexure E)

7. Implementation of MFMA Circular 90: Tax Compliance was signed by Provincial Treasury Head of Department Mr Kunene on the 6th April 2018 with Practice Note No: 1/2018 emphasizing immediate implementation of the circular. Annexure E and further stating that all Municipal Supply Chain Management Practitioners will be workshopped without communicating the date of workshop. Annexure F

8. It is on this view that after the issuance of this directive enforcement of tax compliance is followed to the latter and got distributed by CFO (Mr. Mphato) to all Supply Chain Officials on the 4th May 2018.
(Annexure G)

RECOMMENDATION

1. That the amount of January 2018 at the value of R 993,743.70 and per Dec 2017 at the value of R 995,850.00 are regarded as irregular due to awarding to suppliers who is non tax compliant as per Annexure D above to the total irregular expenditure amounting to R 1,989,593.70.
2. Council to note late issuance of the circular on the 4th May 2018 for immediate implementation by provincial treasury which exonerate Supply Chain officials for non-implementing the circular since there were not aware only reliance was on the VALID TAX CLEARANCE CERTIFICATE see Annexure H.

3. The MPAC as per council resolution 47/2018 dated 4th July 2018 to further scrutinize the reported matter. (Because the matter is already been investigated by Municipal Public Accounts Committee (MPAC).

<table>
<thead>
<tr>
<th>DATE OF MEETING</th>
<th>RESOLUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>Council resolved that the MPAC as per council resolution 47/2018 dated 4th July 2018 further scrutinize the reported matter.</td>
</tr>
</tbody>
</table>

CLLR Y SECHOARO  
COUNCIL SPEAKER

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER
CA07/08/2018

REPORT ON FRUITLESS AND WASTEFUL EXPENDITURE INTEREST CHARGES ON AGSA (AUDITOR GENERAL SOUTH AFRICA)

PURPOSE
This serves as fruitless and wasteful expenditure resulted from interest charges on AGSA nonpayment services since 2009.

BACKGROUND

1. AGSA and municipality entered rein fenced agreement on non-payment of invoices through instalment agreement
2. Municipality was placed on administration on several occasions.
3. Municipality and AGSA entered into settlement of debt and credit note was issued.
4. Interest are reverse on the municipality account
5. Accounting officer is hereby informing council the mayor executive in writing that the expenditure fruitless and wasteful in terms of Section 32(3) local government (MFMA) municipal finance management act.

RECOMMENDATION

1. It is recommended that Council note and approval reversal of interest charge on fruitless and wasteful expenditure to the value of R 1,906,824.55.
<table>
<thead>
<tr>
<th>DATE OF MEETING</th>
<th>RESOLUTION</th>
<th>RESOLUTION NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>Council noted and approved reversal of interest charge on fruitless and wasteful expenditure to the value of R 1,906,824.55.</td>
<td>C87/2018</td>
</tr>
</tbody>
</table>

Cllr Y. Sechoaro  
COUNCIL SPEAKER

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER
CA 08/08/2018    IRREGULAR SECURITY COMPANY

PURPOSE

To provide Council the ways and means as to how irregular expenditure has occurred.

BACKGROUND

Determination of irregular expenditure resulted from extension and consideration of 15% purchase order variation. See Annexure A

In terms of the Municipal Finance Management Act (MFMA) Circular No. 62 the irregular Security protection services costs determined after considering 15% purchase order Variation cost which amounted to R4 536 294.37.

The order variation amount of R4 536 294.37 covered the following payments:

1. Irregular started September 2017 until 31st May 2018 at the total of R10 622 298.96.

RECOMMENDATIONS

It is recommended that:

That Council notes the irregular expenditure that has occurred because the matter is already being investigated by Municipal Public Accounts Committee (MPAC).

<table>
<thead>
<tr>
<th>DATE OF MEETING</th>
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<th>RESOLUTION NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>Council noted the irregular expenditure that has occurred</td>
<td>C88/2018</td>
</tr>
<tr>
<td>DATE OF MEETING</td>
<td>RESOLUTION</td>
<td>RESOLUTION NUMBER</td>
</tr>
<tr>
<td>-----------------</td>
<td>------------</td>
<td>------------------</td>
</tr>
<tr>
<td>30 AUGUST 2018</td>
<td>Council noted the irregular expenditure that has occurred</td>
<td>C88/2018</td>
</tr>
</tbody>
</table>

**CLLR Y SECHOARO**  
COUNCIL SPEAKER

**MRS. M.D. DAMBUZA**  
ACTING MUNICIPAL MANAGER
CA 09/08/2018    AUDIT COMMITTEE REPORT ON REVIEW OF
ANNUAL FINANCIAL STATEMENTS FOR THE
PERIOD ENDING 30 JUNE 2018

ATTACHMENTS
1. Audit Committee report on review of the Annual Financial Statements (AFS) and the
Annual Performance report 2017/18
2. Appointment letter of Acting Audit Committee Chairperson

MANDATE

Section 166 (2) (b) of the Local Government: Municipal Financial Management Act, No. 56 of
2003 provides that an audit committee is an independent advisory body which must review the
annual financial statements to provide the council of the municipality or, in the case of a
municipal entity, the council of the parent municipality and the board of directors of the entity,
with an authoritative and credible view of the financial position of the municipality or municipal
entity, its efficiency and its overall level of compliance with this Act, the Annual Division of
Revenue Act and any other applicable legislation.

Section 166 (2) (a) (v) of the Local Government: Municipal Financial Management Act, No. 56 of
2003 provides that an audit committee is an independent advisory body which must advised the
municipal council, the political office-bearers, the accounting officer and the management staff
of the municipality, or the board of directors, the accounting officer and the management staff
of the municipal entity, on matters relating to performance management.

BACKGROUND

The Audit Committee held a Special Audit Committee meeting on 21 August 2018 and a follow-
up meeting was held on 28 August 2018. The purpose of the meeting was to review the Draft
Annual Financial statements and to review the annual performance information.

DISCUSSIONS

Refer to Audit Committee report for comprehensive recommendations
RECOMMENDATION

That Council notes the Audit committee report on review of the Annual Financial statements for the period ending 30 June 2018 and review of Annual Performance information for the 2017/18 financial year.

<table>
<thead>
<tr>
<th>DATE OF MEETING</th>
<th>RESOLUTION</th>
<th>RESOLUTION NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>Council noted the Audit committee report on review of the Annual Financial statements for the period ending 30 June 2018 and review of Annual Performance information for the 2017/18 financial year.</td>
<td>C89/2018</td>
</tr>
</tbody>
</table>

CLLR Y SECHOARO
COUNCIL SPEAKER

MRS. M.D. DAMBUZA
ACTING MUNICIPAL MANAGER
CA 10/08/2018    ANNUAL FINANCIAL STATEMENTS

PURPOSE

The purpose is to submit the Annual Financial Statement to municipal council for noting.

BACKGROUND

The municipality must prepare financial statements in line with section 122 of the MFMA. Which state that every municipality entity must for each financial year prepare annual financial statements. Moreover, the audit committee’s recommendation is that the municipal council should also be aware of the annual financial statement to be submitted to the Office of the Auditor General South Africa on or before the 31st August 2018.

RECOMMENDATION

It is recommended that council note the Annual Financial Statements to be submitted to the office of the AGSA. And further. Approve all AFS related supporting schedules.

<table>
<thead>
<tr>
<th>DATE OF MEETING</th>
<th>RESOLUTION</th>
<th>RESOLUTION NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 AUGUST 2018</td>
<td>Council noted the Annual Financial Statements to be submitted to the office of the AGSA. And further approved all AFS related supporting schedules.</td>
<td>C90/2018</td>
</tr>
</tbody>
</table>

CLLR Y SECHOARO  
COUNCIL SPEAKER

MRS. M.D. DAMBUZA  
ACTING MUNICIPAL MANAGER